



## **EMERGENCY SUPPORT FUND**

### **Program Guidelines, Glossary, and FAQ**

#### **For Canada's Live Music Sector 2021-2022**

##### **Stream 1**

The purpose of this program is to help Canadian live music companies and organizations operating in Canada who are facing financial pressures due to public health directives in place to address the COVID-19 pandemic.

The majority of companies and organizations targeted by this program are not regular beneficiaries of the Canada Music Fund (CMF); emergency funding for these types of companies and organizations is a recognition of the essential nature of the live music sector in achieving the objectives of the program. Thus, the temporary financial support will allow companies and organizations in Canada's live music sector to continue to exist during and beyond the pandemic and ultimately to continue i) to produce and promote a diversity of Canadian music in a world of choice ii) to be competitive at home and abroad and iii) to contribute to Canada's creative economy.

Funding will be allocated based on eligible revenues from each applicant's last completed fiscal year prior to the pandemic.

**The deadline to apply is September 9, 2021, at 5:00pm ET.**

#### **1. Who Can Apply?**

This program targets Canadian companies and organizations specializing in live music. This includes live music venues, booking agents, concert promoters and producers, festivals, artist managers, artist-entrepreneurs, and service companies. To be eligible, companies must play an essential role in the Canadian live music sector and in the development of Canadian artists. See the Applicant Eligibility section below for specific eligibility criteria.

#### **2. When to Apply**

Applications can be submitted at any time from program launch to deadline. Late applications will not be considered.

#### **3. Funding**

- (a) Submitting an application does not guarantee funding.
- (b) Funding cannot exceed 100% of eligible expenses.
- (c) Funding is subject to availability of funds and number of applicants.
- (d) Funding is conditional on respecting all applicable statutes, laws, bylaws, regulations, orders, codes, standards, directives, and guidelines governing the activities for which funding is being sought, including those related to public health and safety due to the COVID-19 pandemic, including the Public Health Agency of Canada (PHAC) guidelines.

#### **4. Applicant Eligibility**

In order to be eligible for this program, applicants must meet the following eligibility requirements:

- (a) Be Canadian-owned. Foreign-owned music companies (firms not owned and controlled by Canadians) operating in Canada and their related associations are not eligible.
- (b) Specialize in live music.

- (c) Perform an essential role in supporting the live performance career development of Canadian artists.
- (d) Regular beneficiaries of the CMF are not targeted by the program. Such companies may be eligible only in relation to their live music activities. These applicants will have to demonstrate the continued financial pressure in carrying out their live music activities due to public health directives in place to address the COVID-19 pandemic.
- (e) The applicant must be in good standing with the Crown following agreements entered into with Canadian Heritage or any other federal government department as well as with third-party administrators FACTOR and Musicaction.
- (f) Operate primarily in one of the following business activities and meet the noted requirements:

**Live Music Venue** requirements:

- (i) Must have permanent spaces, with infrastructure for musical performances, such as a stage, a sound and lighting system, etc.
- (ii) A minimum of 25% of the 2019 calendar year programming was live musical performances featuring original commercial material (musicals, tribute bands, dinner-theatre, charity, or corporate shows are not eligible activities for the CMF).
- (iii) At least 50% of the 2019 calendar year musical programming was performances by Canadian artists.
- (iv) Must not be associated with a city/municipality or an educational institution.
- (v) Capacity must not be greater than 3,500 (when not reduced for public health measures).

**Booking Agent** requirements:

At least 50% of revenues from the last fiscal year completed before the pandemic (or March 2020) came from music-related activities related to Canadian artists OR at least 50% of the artists on their roster must be Canadian artists.

**Concert Promoter and/or Producer** requirements:

At least 50% of revenues from the last fiscal year completed before the pandemic (or March 2020) came from music-related activities related to Canadian artists.

**Festival** requirements:

At least 50% of the programming in its last pre-pandemic edition was musical performances by Canadian artists.

**Artist Manager** requirements:

At least 50% of revenues from the last fiscal year completed before the pandemic (or March 2020) came from music-related activities related to Canadian artists OR at least 50% of the artists on their roster must be Canadian artists.

**Artist-Entrepreneur** requirements:

- (i) The Canadian artist must be active and have released an eligible Canadian sound recording (individual title or collection of titles) after April 1, 2018.
- (ii) Performed on stage in 2019 or in 2020 and have had expenses of a commercial nature in 2019 or 2020 (e.g. hiring musicians, service contracts to support music activities, etc.).
- (iii) Artist Entrepreneur companies are eligible if they:
  1. Control and administer their own touring rights.
  2. Directly incur tour expenses and receive revenues that are accounted through an entity (which must have an GST/HST number) that is fully and owned and controlled by the artist(s).

3. The entity (i.e. corporation, partnership, sole proprietorship) must have been established and actively conducting ongoing business in the year prior to the emergence of the Covid-19 pandemic and financial statements are provided for that year.

#### **Service Companies requirements:**

- (i) At least 25% of activities for the last fiscal year before the pandemic (or March 2020) must come from activities related to musical performances in Canada and of these activities, at least 50% were for Canadian artists (i.e. their services allow Canadian artists to perform on an indoor or outdoor stage).
- (ii) Employ technicians with technical expertise within the company (e.g. technicians who work on lighting, sound, stage management, machinery, staging, etc.) which facilitate the production of live music events.
- (iii) For freelancers specifically:
  1. Be incorporated
  2. Have had commercial expenses in 2019 (e.g. fixed operating costs, salary, etc.)
  3. Not eligible for the Canada Recovery Benefit (CRB).

#### **5. Ineligible Applicants**

The following applicants are ineligible for funding:

- (a) Foreign-owned music companies (firms not owned and controlled by Canadians) operating in Canada and their related associations.
- (b) Service companies that specialize only in the sale and / or rental of staging equipment such as lighting, sound, etc.
- (c) Companies operating on the periphery of the live music sector in Canada such as companies in the fields of transportation, catering, security, ticketing, etc.
- (d) Radio and television broadcasters and music streaming services, including online streaming platforms.
- (e) Venues whose primary live music programming does not feature individual artists or help develop the careers of Canadian artists, such as, musicals, retrospective/tribute shows, dinner theatre, charity, or corporate shows, etc.
- (f) Venues whose capacity is greater than 3,500 (when not reduced for public health measures).
- (g) Venues associated with a city/municipality or an educational institution.
- (h) Not-for-profit artistic festivals, professional performing arts series (arts presenters) and other applicants that are supported by other PCH programs such as Building Communities through Arts and Heritage program (BCAH) and the Canada Arts Presentation Fund (CAPF) as well as the Canada Council for the Arts (CCA), **unless the applicant demonstrates an urgent financial constraint and/or a financial difficulty, caused by the pandemic, which has a negative impact on its ability to continue its activities. ADDENDA 30 08 2021**

#### **6. Eligible Expenses**

- (a) The financial assistance aims to support the operating and administrative costs of the Canadian portion of eligible live music activities of applicants as well as to allow applicants to maintain jobs and to promote the continuity of live music activities, including short-term cash flow and operational viability. This program will cover the following expenses:
  - (i) Salaries and benefits, professional fees as well as artists' fees (the Emergency Fund does not replace nor supplement the maximum financial aid provided through the Canada Emergency Wage Subsidy)
  - (ii) Administration expenses
  - (iii) Fixed operating costs (rent, utilities, insurance, etc.)
  - (iv) Production and promotion costs related to live music events
- (b) At FACTOR's discretion, other music-related activity costs may be considered eligible.

- (c) Eligible expenses must be made between April 1, 2021, and March 31, 2022. For Artist-entrepreneurs only, if there are not enough eligible expenses in the period from April 1, 2021, to March 31, 2022, eligible expenses incurred since the beginning of the pandemic may be considered.
- (d) This financial assistance may not be used to compensate for revenue losses, and more specifically, this support is not intended to fully compensate for each loss incurred nor to allow companies or organizations to achieve the anticipated (or desired) profitability rate prior to the pandemic.
- (e) This financial assistance cannot be used to cover expenses for which other government support was already received (other federal or provincial/municipal aid).

## 7. Eligible Revenues

Revenue related to the Canadian portion of eligible live music activities from the applicant's last completed fiscal year prior to the pandemic.

## 8. Application Process

### (a) Step 1: Confirm your eligibility and submit a request to apply

- (i) Review section 4. Applicant Eligibility above.
- (ii) If you meet all eligibility requirements, click <https://live.factor.ca> to provide some basic contact information and request an application link.
- (iii) FACTOR will email you further instructions, a project number and custom application link that is just for you.

### (b) Step 2: Complete the application

- (i) Download and complete the [Application Details and Attestation](#) spreadsheet. Save with your project number and applicant name in the file name (i.e. 123456 – Applicant Name – Application Details and Attestation).
- (ii) Click the custom application link that was emailed to you:
  1. Answer the required questions, starting with your project number;
  2. Recipients of the Phase 2 (2020) Emergency Support Fund will also be required to report on their results; and then,
  3. Submit the application webform.
- (iii) If you do not already have a complete applicant profile, FACTOR will contact you to provide further information. Instructions will be emailed directly to you.

### (c) Step 3: Submit required attachments

- (i) You will receive an email confirming your submission including a copy of your answers.
- (ii) This email will also request required attachments. Respond to this email with the following files attached – all files should be named with your project number and applicant name (i.e. 123456 – Applicant Name – File Name):
  1. [Application Details and Attestation](#) spreadsheet
  2. Financial statements (audited, or review engagement or notice to reader): from the last completed fiscal year prior to the pandemic (as an exception, a statement of revenues and expenses is acceptable, only for those who do not have a financial statement),  
**AND**  
From the last completed fiscal year (if applicable)
  3. Void cheque to confirm banking information (provide an explanation if the name on the cheque does not exactly match the applicant name)
- (d) FACTOR will follow up if further information is required. In particular, have prepared any documentation that supports the applicant eligibility requirements noted in section 4. For example, venues should prepare support documentation for their past programming including details on the

number of live music events vs other types of programming, details on Canadian and non-Canadian artists, etc.

## 9. Final Report Requirements

- (a) Following the end of the fiscal year (i.e. March 31, 2022) recipients of this program will be required to provide a final report including:
  - (i) A report on activities carried out,
  - (ii) A final financial report of eligible expenses and revenues,
  - (iii) A report demonstrating meeting COVID-19 related public health and safety requirements,
  - (iv) Other statistical information, such as jobs maintained by applicant company
  
- (b) FACTOR may request the applicant to submit selected invoices and proofs of payment. The accepted proof of payment is:
  - (i) The back and front of cancelled cheques;
  - (ii) Internet and debit card payment: bank statement showing the name of the payee;
  - (iii) Credit card payment: monthly statement showing the name of the payee;
  - (iv) Money order and postal order receipts, wire transfer and online transfer receipts.

Additional requirements could be set out related forms, agreements and FACTOR's [Business Policies](#).

If you have questions about the application process, please contact [live@factor.ca](mailto:live@factor.ca).

**\*\* Please review the Glossary and FAQ which follow below. \*\***

## Definitions

**Canadian:** A citizen within the meaning of the Citizenship Act or a permanent resident of Canada within the meaning of the Immigration and Refugee Protection Act.

**Canadian artist:** The term “Artist” refers to an artist solo performer, a musical group or collective. In the case of music publishing activities, an “artist” refers to a songwriter or composer. A group or a musical collective is considered Canadian if at least 50 % of its members including the lead singer are Canadians. In the case of an orchestra featuring no principal artist, the orchestra must be based in Canada.

**Canadian sound recording:** To meet Canadian content requirements, any recording of an individual track (i.e. a song) or a collection of tracks (i.e. an EP or an album), must meet the following requirements: 1- Be performed by a Canadian artist and 2- Have at least 50% of the music and lyrics written by Canadians. Exception for music “repertoire”: The music and lyrics criterion does not apply to the repertoire of classical music, traditional jazz, world music or traditional music. The sound recording must, however, be performed by Canadian artists.

### **Canadian-owned and controlled company:**

A company...

- that is a sole proprietorship, partnership, cooperative or corporation established under the laws of Canada or a province or territory;
- whose activities are based primarily in Canada;
- whose company headquarters is based in Canada; and
- whose chairperson or presiding officer and more than half of whose directors and other similar officers are Canadian.

**Corporation with share capital:** Canadians beneficially own or control, other than by way of shares held only as security, directly or indirectly, in the aggregate at least 50 per cent plus 1 of all the issued and outstanding votes.

**Corporation without share capital:** Canadians beneficially own or control, directly or indirectly, interests representing in monetary value at least 50 per cent plus 1 of the total value of the assets.

**Partnership, trust, or joint venture:** a Canadian or Canadian corporation or any combination of the two, beneficially own or control, directly or indirectly, interests representing in value at least 50 per cent plus 1 of the total value of the assets of the partnership, trust, or joint venture, as the case may be, and the Chairperson or other presiding officers and more than half of the directors or other similar officers are Canadian.

If at any time one or more persons that are not Canadian have any direct or indirect influence through a trust, an agreement, an arrangement or otherwise that, if exercised, would result in control in fact of the firm, the firm is deemed not to be Canadian-owned and-controlled.

## FREQUENTLY ASKED QUESTIONS

### 1. What is the context for this funding?

Budget 2021 includes \$70 million in funding over three years, starting in 2021-2022, to Canadian Heritage (PCH) for the Canada Music Fund (CMF). This amount includes up to \$50 million in 2021-2022 to help the live music sector weather the pandemic. The remaining \$20 million is an extension of additional funds announced in Budget 2019, aimed at continuing support to the CMF modernization with current recipients (\$10 million for 2022-2023 and \$10 million for 2023-2024).

The CMF will allocate the \$50 million investment in 2021-22, specifically to help the live music sector, through the following three funding streams:

1. Emergency fund for Canada's live music sector (\$25 million).
2. Support for live concerts to help the sector prepare for the resumption of in-person concerts (\$20 million).
3. Support for Canadian artists to ensure that the level of funding to artists is maintained despite declining contributions to Canadian Content Development (CCD) from commercial radio broadcasters (\$5 million).

These frequently asked questions are about Stream 1 funding, the new Emergency Support for Canada's live music sector. The Fund is an extension of the support provided to the Canadian live music sector under Phase 2 of the Emergency Support Fund in 2020-2021, with some new elements relating to targeted applicants.

The second funding stream, Support for Live Concerts, will be launched subsequently. This stream of funding will include activities relating to infrastructure improvements for health and safety for in-person concerts, support for the presentation of hybrid concerts, as well as the presentation and promotion of Canadian artists' live performances to help rebuild their audiences.

### 2. What is the purpose of the Emergency Support Fund (Stream 1) for Canada's Live Music Sector?

This Emergency Support Fund aims to help Canadian live music companies and organizations operating in Canada who are facing financial pressures due to public health directives in place to address the COVID-19 pandemic.

The majority of companies and organizations targeted by the Emergency Fund are not regular beneficiaries of the CMF; emergency funding for these types of companies and organizations is a recognition of the essential nature of the live music sector in achieving the objectives of the program. In addition to the types of eligible applicants in Phase 2 of the Emergency Support Fund in 2020-2021, the new Emergency Fund expands eligibility to allow artist-entrepreneurs and service companies to apply, with the latter playing an essential role in the music ecosystem and still facing significant financial pressures as the pandemic continues.

Thus, the temporary financial support will allow companies and organizations in Canada's live music sector to continue to exist during and beyond the pandemic and ultimately to continue i) to produce and promote a diversity of Canadian music in a world of choice ii) to be competitive at home and abroad and iii) to contribute to Canada's creative economy.

### 3. How much funding is available?

Of the \$50 million investment in 2021-2022, the total amount available of the Emergency fund (Stream 1) for Canada's live music sector is \$25 million.

The amount is split between the Anglophone and Francophone markets at 60% and 40% respectively.

#### 4. How will the Emergency Support Fund be administered?

PCH will deliver these funds through the CMF. FACTOR and Musicaction will administer these resources for the Anglophone and Francophone markets respectively.

#### 5. What artist-entrepreneurs are eligible for funding?

Canadian artist-entrepreneurs must control and administer their own touring rights, directly incur tour expenses and receive revenues that are accounted through an entity (which must have an GST/HST number) that is fully and owned and controlled by the artist(s). The entity (i.e. corporation, partnership, sole proprietorship) must have been established and actively conducting ongoing business in the year prior to the emergence of the Covid-19 pandemic and financial statements are provided for that year.

#### 6. What types of service companies are eligible for funding under the Emergency Support Fund?

Service companies are those key to presenting live music events; to be eligible, they must employ technicians with technical expertise within the company (e.g. technicians who work on lighting, sound, stage management, machinery, staging, etc.) which facilitate the production of live music events. Service companies that specialize only in the sale and / or rental of staging equipment such as lighting, sound, etc are not eligible.

#### 7. If I am a company or organization that is targeted by the Emergency Support Fund, what are the specific eligibility criteria to meet?

Companies and organizations specializing in live music must be Canadian-owned AND must support the career development of Canadian artists or offer musical programming by Canadian artists.

Specific Criteria for each type of company and organization:

Artist-entrepreneurs	Service Companies	Live Music Venues
<ul style="list-style-type: none"> <li>• The Canadian artist must be active and have released an <b>eligible Canadian sound recording</b> (individual title or collection of titles) after April 1<sup>st</sup> 2018.</li> <li>• Performed on stage in 2019 or in 2020 and have had expenses of a commercial nature in 2019 or 2020 (e.g. hiring musicians, service contracts to support music activities, etc.).</li> <li>• Must control and administer their own touring rights, directly incur tour expenses and receive revenues that are accounted through an entity (which must have an GST/HST number) that is fully and owned and controlled by the artist(s).</li> </ul>	<ul style="list-style-type: none"> <li>• At least 25% of activities for the last fiscal year before the pandemic (or March 2020) must come from activities related to musical performances in Canada and of these activities, at least 50% were for <b>Canadian artists</b> i.e. their services allow <b>Canadian artists</b> to perform on an indoor or outdoor stage.</li> <li>• Employ technicians with technical expertise within the company (e.g. technicians who work on lighting, sound, stage management, machinery, staging, etc.) which facilitate the production of live music events.</li> <li>• For freelancers specifically:               <ul style="list-style-type: none"> <li>○ Be incorporated</li> <li>○ Have had commercial expenses in 2019 (e.g. fixed operating costs, salary, etc.)</li> <li>○ Not eligible for the Canada Recovery Benefit (CRB).</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Must be permanent spaces, with infrastructure for musical performances, such as a stage, sound and lighting system, etc.</li> <li>• A minimum of 25% of the 2019 programming was live musical performances featuring original commercial material (musicals, tribute bands, dinner-theatre, charity or corporate shows are not eligible activities for the CMF).</li> <li>• At least 50% of the 2019 musical programming was performances by <b>Canadian artists</b>.</li> </ul>



Managers and Booking Agents	Concert Promoters and Producers	Festivals
<ul style="list-style-type: none"> <li>At least 50% of revenues from the last fiscal year completed before the pandemic (or March 2020) came from music-related activities related to <b>Canadian artists</b></li> </ul> <p>OR</p> <ul style="list-style-type: none"> <li>At least 50% of the artists on their roster must be <b>Canadian</b>.</li> </ul>	<ul style="list-style-type: none"> <li>At least 50% of revenues from the last fiscal year completed before the pandemic (or March 2020) came from music-related activities related to <b>Canadian artists</b>.</li> </ul>	<ul style="list-style-type: none"> <li>At least 50% of the programming in its last pre-pandemic edition was musical performances by <b>Canadian artists</b>.</li> </ul>

**9. What expenses are not eligible under the Emergency Support Fund (Stream 1)?**

This financial assistance may not be used to compensate for revenue losses, and more specifically, this support is not intended to fully compensate for each loss incurred nor to allow companies or organizations to achieve the anticipated (or desired) profitability rate prior to the pandemic. Also, the financial assistance cannot be used to cover expenses for which other government support was already received (other federal or provincial/municipal aid).

**10. Do I have to demonstrate meeting criteria related to Canadian artists?**

Concert promoters, festivals, service companies and venues must attest that they meet the guidelines of the Emergency Fund, this includes the minimum requirements by each type of company and organization related to Canadian artists which are detailed in the eligibility criteria.

Managers and booking agents are required to provide a list of the artists on their roster and identify those that are Canadian.

**11. If a supporting act / opening artist is Canadian, does that performance count towards the 50% minimum criteria for performances by Canadian artists?**

Yes. When assessing whether you meet this criteria, take into account every Canadian artist that performed, regardless if they were the headliner or support.

**12. How should I estimate the cash flow given the uncertainty due to COVID and what details should I include?**

Cash flow expenditures must be over the period from April 1, 2021, to March 31, 2022, regardless of the applicant’s actual fiscal year. The cash flow must include all expenses incurred for the period from April 1, 2021, until July 31, 2021, and the planned expenses for the period from August 1, 2021, to March 31, 2022.

For your information, cash flow expenditures must include all administrative expenses, all fixed operational costs, all salaries and benefits, as well as professional fees. The costs relating to the contractual and financial obligations must be for the Canadian portion of eligible activities related to the music of Canadian artists. Considering the circumstances, we understand that it is difficult to predict your activities until March 31, 2022. We suggest that you make an estimate of your expenditures to the best of your knowledge. We also understand that this estimate is dependent on the evolution of the situation relating to resumption of activities.

Note: It is important that you ensure that the financial aid from this fund will not be used to cover expenses already financed by other COVID-19 measures from the federal government or any other provincial or municipal measures to deal with COVID-19.

### **13. How will applications be assessed?**

For the Emergency Support Fund, an assessment of the needs relating to salaries and benefits and / or professional fees as well as the fixed operational costs (rent, utilities, insurance, etc.), the financial obligations arising from all music related activities, including obligations related to touring and other cancelled music events, using the cash flow of expenses you submit.

### **14. How will the Emergency Support Fund be distributed?**

Eligible Canadian live music companies and organizations will be allocated a flat-rate amount that will be based on thresholds established according to the eligible revenues from the last completed fiscal year prior to the pandemic of companies or organizations. All amounts will be determined once all requests received have been analyzed. Funding is subject to availability of funds and number of applicants, with decisions to be communicated by FACTOR and Musicaction.

This assistance may cover up to 100% of your eligible expenses and must be used for the Canadian portion of your activities (i.e. related to Canadian artists).

### **15. Where can I get more information?**

FACTOR:

<https://www.factor.ca/live>

Musicaction:

<http://musicaction.ca/>