

## Record Label Profiles & Ratings 2023-2024

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FACTOR provides funding to Canadian record labels of every kind, from start-up, one-person labels to the biggest, established indies. FACTOR funding can help pay for a range of label activities including sound recording production, licensing, marketing and promotion, tour and showcase support for the artists, video production, business travel, and business development.

The applicant should contact their Project Coordinator to apply to the higher-tier program they seek access to for eligibility assessment.

If you wish to be eligible for funding as a Record Label, you must create and submit for review an Applicant Profile for your record label business. FACTOR staff will review the information provided and will give you a **Company Rating**. The Company Rating indicates the Program(s) you can apply for as a Record Label.

**FACTOR has three designated Company Ratings for Canadian record labels: Approved, Record Label 2, and Record Label 3.**

To apply to any sound recording or marketing programs, the Record Label must have a Company Rating, and must have access to an approved Artist Profile for the artist. For the Juried Sound Recording: Album and Juried Sound Recording: Single/EP programs, the amount of funding is determined by the Artist Rating.

**Record Labels may also be eligible for the [Company Envelope: Mid-Tier](#) or [Company Envelope: Top-Tier](#) programs.**

Canadian companies which invest in: the production and promotion of sound recordings by Canadian artists, tours and showcases by Canadian artists, publishing of Canadian musical works, and the management of Canadian artists.

Specifically, **record labels**, music publishers, and artist managers. Companies that are interested in this program and are new to the FACTOR system are invited to create an Applicant Profile prior to the program deadline. Please contact FACTOR to discuss.

### Approved

Any Canadian person or company that releases a sound recording may receive an Approved Applicant Rating. There is no minimum revenue threshold, no minimum discography nor length of time in business required. To receive the Approved rating, you must fill out the Applicant Profile noting "Record Label" as a business activity. You will need to provide information regarding the ownership of the business, and any discography and financial information that is available. If you have an Approved rating and have signed or licensed a full-length sound recording from a Canadian artist, you can apply to:

- [Juried Sound Recording: Album](#): you may receive Phase 1 funding of up to \$67,500 (General Artist) or \$77,500 (Artist 2) for sound recording, marketing, radio marketing, touring, showcasing and video production, with additional amounts available in Phase 2, based on the success of the project. Approved Record Labels cannot apply for license fees; only production costs.
- [Juried Sound Recording: Single/EP](#): this program offers up to \$25,000 of investment towards 75% of eligible expenses related to artists creating new recordings for a single and/or EP format, within a fiscal year. Specifically, 5 songs or less and under 20 minutes of recorded music.
- [Video](#): you may receive up to \$20,000 (Artist 2) or \$40,000 (Artist 3) for the production of high-quality music videos and visual content that support the sound recording.

## Record Label 2

To achieve this rating, your record label must be designated an Eligible Music Company, per FACTOR's Business Policies. To do so, the business must meet all of the following criteria:

1. It must be a Canadian-owned business. It must be incorporated and have a CRA Business Number.
2. The business must have been operating continuously for at least two years in the primary activities of a Record Label, Music Distributor, Music Publisher, Artist Manager, or some combination of the foregoing, and you must be able to demonstrate this through documentation such as your company financials or corporate registration;
3. The business and its owner(s) must be in good standing with FACTOR;
4. All the Qualifying Criteria information (including discography, company documentation and financial information) must be updated and submitted on or before the Annual Review deadline;
5. You must provide financial statements for the past three years and update those on an annual basis within 6 months of the company's fiscal year-end. Businesses that have only been in operation for two consecutive years must provide the past two years' financial statements. Financial statements must have been prepared in accordance with generally accepted accounting principles and must include a balance sheet and an income statement/statement of profit and loss.
6. The record label must have a Canadian distribution agreement in place with a FACTOR-recognized distributor, unless the FACTOR Board of Directors has waived this requirement in advance;
7. The record label must control the exclusive Canadian exploitation rights for at least four Qualifying Releases that it has created or licensed, including at least two Qualifying Releases from different Canadian Artists within the following reference periods: (a) to qualify at the Annual Review, the two Qualifying Releases must have been released within the 14 months preceding April 1; or (b) to qualify at the Semi-Annual Review, the two Qualifying Releases must have been released within the 14 months preceding either April 1 or October 1 of the current fiscal year. **FACTOR will only recognize Qualifying Releases in which an owner of the Record Label is not also an Artist member on the release.**

If you have a Record Label 2 rating and have signed or licensed a full-length sound recording from a Canadian artist, you can apply to:

- [Juried Sound Recording: Album](#): you may receive Phase 1 funding of up to \$67,500 (General Artist) or \$77,500 (Artist 2) for sound recording, marketing, radio marketing, touring, showcasing and video production, with additional amounts available in Phase 2, based on the success of the project. Approved Record Labels cannot apply for license fees; only production costs.
- [Juried Sound Recording: Single/EP](#): this program offers up to \$25,000 of investment towards 75% of eligible expenses related to artists creating new recordings for a single and/or EP format, within a fiscal year. Specifically, 5 songs or less and under 20 minutes of recorded music.
- [Video](#): you may receive up to \$20,000 (Artist 2) or \$40,000 (Artist 3) for the production of high-quality music videos and visual content that support the sound recording.

You can also apply to:

- [Support for Eligible Music Companies](#): There are two components for Record Labels in this program, Business

**The total program funding limit per fiscal year across both components is \$7,500.**

- Business Development Component: contributes to the cost of business development activities
- Business Travel Component: contributes to the cost of your business travel to conferences, sales trips, etc.

## Record Label 3

To achieve this rating, your record label must meet all of the Record Label 2 criteria. In addition:

1. In the first year that the business qualifies, the revenue information and financial statements must show minimum annual gross revenues of \$100,000 in your most recent fiscal year, of which at least \$75,000 is derived from music related activities in the categories of artist management, record label/master exploitation, music publishing, and music distribution; and
2. For the second and subsequent qualifying years, the revenue information and financial statements must show annual gross revenues of \$100,000 averaged over the two preceding fiscal years, including a two-year average of at least \$75,000 in annual revenues from music-related activities in the categories of artist management, record label/master exploitation, music publishing, and music distribution.

If you have a Record Label 3 rating and have signed or licensed a full-length sound recording from a Canadian artist, you can apply to:

- [Juried Sound Recording: Album](#): you may receive Phase 1 funding of up to \$67,500 (General Artist) or \$77,500 (Artist 2) for sound recording, marketing, radio marketing, touring, showcasing and video production, with additional amounts available in Phase 2, based on the success of the project. Approved Record Labels cannot apply for license fees; only production costs.
- [Juried Sound Recording: Single/EP](#): this program offers up to \$25,000 of investment towards 75% of eligible expenses related to artists creating new recordings for a single and/or EP format, within a fiscal year. Specifically, 5 songs or less and under 20 minutes of recorded music.
- [Video](#): you may receive up to \$20,000 (Artist 2) or \$40,000 (Artist 3) for the production of high-quality music videos and visual content that support the sound recording.

You can also apply to:

- [Support for Eligible Music Companies](#): There are two components for Record Labels in this program, Business Development and Business Travel.

**The total program funding limit per fiscal year across both components is \$20,000.**

- Business Development Component: contributes to the cost of business development activities
- Business Travel Component: contributes to the cost of your business travel to conferences, sales trips, etc.