

## Record Label Profiles & Ratings

2022-2023

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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.

FACTOR will be holding artist and company ratings at their 2021-2022 status for all applicants. If the applicant's current rating precludes them from applying and the applicant meets the threshold criteria for the program, the applicant may update their information in the portal. 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 four designated Company Ratings for Canadian record labels: Approved, Record Label 2, Record Label 3, and Record Label 4.**

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 and Comprehensive Artist programs, the amount of funding is determined by the Artist Rating.

### 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](#): 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.
- [Marketing and Promotion for Non-FACTOR-Funded Sound Recordings](#): contributes to the cost of marketing, radio marketing, tour, showcase and video production for the artist, up to \$25,000 per project.
- [Comprehensive Artist](#): you may receive up to \$82,500 in project funding in Phase 1 and an additional \$40,000 in Phase 2 for Artists rated 3.
- [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. Note that Record Labels may only qualify for a company rating of 4 or higher at the Annual Review.  
**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](#)**: 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.
- **[Comprehensive Music Company](#)**: **Funding is divided into two phases.** You may receive Phase 1 funding of up to \$77,500 per fiscal year for one or more projects for sound recording, marketing, radio marketing, touring, showcasing and video production. Additional amounts are available in Phase 2, based on the success of the project. The Artist Rating has no bearing on eligibility for this program. Record labels hoping to qualify for this program may submit their applicant profile at any time. **Eligible record labels may receive up to a maximum of \$100,000 per FACTOR fiscal year.**
- **[Marketing and Promotion for Non-FACTOR-Funded Sound Recordings](#)**: contributes to the cost of marketing, radio marketing, tour, showcase and video production for the artist, up to \$25,000 per project.
- **[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.
- **[Comprehensive Artist](#)**: you may receive up to \$82,500 in project funding in Phase 1 and an additional \$40,000 in Phase 2 for Artists rated 3.

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 \$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](#): 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.

[Comprehensive Music Company](#): **Funding is divided into two phases.** You may receive Phase 1 funding of up to \$77,500 per fiscal year for one or more projects for sound recording, marketing, radio marketing, touring, showcasing and video production. Additional amounts are available in Phase 2, based on the success of the project. The Artist Rating has no bearing on eligibility for this program. Record labels hoping to qualify for this program may submit their applicant profile at any time. **Eligible record labels may receive up to a maximum of \$100,000 per FACTOR fiscal year.**

- [Marketing and Promotion for Non-FACTOR-Funded Sound Recordings](#): contributes to the cost of marketing, radio marketing, tour, showcase and video production for the artist, up to \$25,000 per project.
- [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.
- [Comprehensive Artist](#): you may receive up to \$82,500 in project funding in Phase 1 and an additional \$40,000 in Phase 2 for Artists rated 3.

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.

## Record Label CMC

FACTOR only assigns Record Label CMC once annually, during the Annual Review. The review deadline is on the last business day in February, and the rating goes into effect on April 1. To achieve this rating, you must meet all of the Record Label 2 or 3 criteria. Record Label CMC ratings are limited to available budget and based on a program specific eligibility assessment as part of the Annual Review.

## Record Label 4

FACTOR only assigns Record Label 4 ratings once annually during the Annual Review. The review deadline is on the last business day in February, and the rating goes into effect on April 1. To achieve this rating, you must meet all of the Record Label 3 criteria (including the minimum revenue threshold of \$100,000 in revenue in your most recent fiscal year). In addition:

1. Your gross revenue information and financial statements must show that the company earned a minimum of \$100,000 in gross revenue from exploitation of its sound recording masters, averaged over the preceding three years;
2. You must have been in business continually as a record label for at least 5 years; and
3. You must release a minimum of five Qualifying Releases by at least two different Canadian Artists over the five years preceding the Annual Review deadline. You must own or control the exclusive Canadian exploitation rights and/or copyright for at least five years from date of execution of the license/recording agreement.

If you have a Record Label 4 rating and have signed or licensed a full-length sound recording from a Canadian artist, you can apply to:

- [Juried Sound Recording](#): 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.
- [Comprehensive Music Company](#): **Funding is divided into two phases.** You may receive Phase 1 funding of up to \$77,500 per fiscal year for one or more projects for sound recording, marketing, radio marketing, touring, showcasing, and video production. Additional amounts are available in Phase 2, based on the success of the project. The Artist Rating has no bearing on eligibility for this program. Record labels hoping to qualify for this program may submit their applicant profile at any time. **Eligible record labels may receive up to a maximum of \$100,000 per FACTOR fiscal year**
- [Marketing and Promotion for Non-FACTOR-Funded Sound Recordings](#): contributes to the cost of marketing, radio marketing, tour, showcase, and video production for the artist, up to \$25,000 per project.
- [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.
- [Comprehensive Artist](#): you may receive up to \$82,500 in project funding in Phase 1 and an additional \$40,000 in Phase 2 for Artists rated 3.

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.