

# COPRODUCING WITH QUÉBEC





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## **WHY COPRODUCE IN QUÉBEC?**

### **A VALUABLE ALLY FOR COPRODUCTION**

Québec is recognized for its highly skilled, talented, creative, efficient, bilingual workforce and for its cutting-edge technical infrastructures. Moreover, Québec is particularly attractive due to its vast experience in international coproductions and its stable banking services and financial tools.

In addition to the possibility of contributions from private investors, distributors and broadcasters, Québec productions also benefit from several interesting tax tools and public funds that attract foreign producers.

### **AN INSPIRING TERRITORY**

Québec is a province of contrasts that lends itself to all types of shootings, whether for its four charming seasons, immense territory, founding peoples, inspiring landscapes, contrasts with modern and ancient urban architecture, or its vast cultural diversity.



**It Must Be Heaven** by Elia Suleiman  
Coproductioin France, Québec, Germany, Turkey



## SELECTIVE SUPPORT

### SOCIÉTÉ DE DÉVELOPPEMENT DES ENTREPRISES CULTURELLES DU QUÉBEC (SODEC)

SODEC is a government agency that reports to the Québec Minister of Culture and Communications. Founded in 1995, it is now a driving force of cultural development as it fulfils its mandate of supporting the development of Québec's cultural enterprises. It is also responsible for ensuring the collective presence of these same companies at fairs, festivals and international markets.

- Selective support for development, production, marketing, broadcast and promotion offered in the form of project investments and grants. We support projects in the form of short, medium- and feature-length documentary films (one-offs) as well as short and feature-length fiction films, including animation and short narrative digital projects.
- Production assistance up to 65% of the Québec budget for feature-length fiction films and up to 49% for medium and feature-length documentaries (one-off), with applicable caps according to the production format.
- Recoupable investment to enhance the production value of fiction, documentary or animation television series projects scripted and developed in French.
- An international coproduction (with the exception of coproductions for short narrative digital projects) must be recognized as an official coproduction according to a treaty signed with Canada and administered by Telefilm Canada.

- The application must be filed by the Québec coproducer. SODEC supports only the Québec share of the project.
- Applications may be received by specific deadlines or at any time depending on the program.

## **EVALUATION PARAMETERS FOR A COPRODUCTION WHERE QUÉBEC IS A MINORITY PARTNER**

- At least 50% of the foreign financing must be confirmed.
- Depending on the format filed, SODEC may evaluate:
  - ◆ the status of funding;
  - ◆ the strategic agreement reached with a foreign partner for the purpose of initiating a reciprocal Québec majority coproduction;
  - ◆ the potential economic spinoffs from the production and marketing of the film;
  - ◆ the recoupment terms;
  - ◆ the company's experience or potential for growth in the development of coproduction projects with foreign partners;
  - ◆ the quality of creative elements and the project's outreach potential.

Financial assistance is evaluated on the Québec share of the project. In the case of a minority project coproduced in feature-length fiction, the project may reach a maximum of 49% of the Québec budget but does not generally exceed \$350,000.



## TÉLÉFILM CANADA

- Supports the development of film production via assistance programs for development, production, marketing and distribution offered in the form of recoupable project investments, grants or refundable assistance.
- Administers international coproduction treaties.
- Recommends to the Government of Canada projects that may be recognized as audiovisual coproductions governed by a formal audiovisual coproduction treaty with Canada.
- Administers the Canada Media Fund (for television and digital content projects).

### **OBTAINING TELEFILM CANADA CERTIFICATION FOR A COPRODUCTION**

**[WWW.TÉLÉFILM.CA](http://WWW.TÉLÉFILM.CA)**

## **TAX INCENTIVES**


### **QUÉBEC TAX INCENTIVES**

Québec's tax incentives are administered by SODEC jointly with Revenu Québec.

### **REFUNDABLE TAX CREDIT FOR FILM AND TELEVISION PRODUCTION**

- The refundable tax credit for Québec film and television production is applicable to labour expenditures incurred by companies that produce or coproduce a Québec film or television production:
  - ◆ Eligible labour expenses are capped at a ceiling equal to 50% of the film's eligible production costs;
  - ◆ The base rate for an original creative Québec production is 32% of eligible labour expenses;
  - ◆ The base rate for an adapted production of a foreign format is 28% of eligible labour expenses;



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- ◆ The base rate may be further enhanced depending on the project's nature and eligibility criteria:
    - French language productions: 8% of eligible labour expenses;
    - Public financial assistance: up to 16% of eligible labour expenses;
    - Regional companies: between 10% and 20% of eligible labour expenses;
    - Special effects or computerized animations: 10% of eligible labour expenses.

Taking these subsidies into account, the effective rate for an eligible budget is between 16% to 33% for an original creative Québec production and between 14% and 31% for an adapted production of a foreign format.

- At least 75% of capital and labour expenses must be paid to businesses or individuals residing in Québec.
- To be eligible, companies must operate a business in Québec that is under Québec control.
- The company must hold the production rights and, in the case of an official coproduction with Canada, obtain Telefilm Canada approval for the coproduction.
- The production must be intended for distribution, broadcast or online broadcast in Québec.





## REFUNDABLE TAX CREDIT FOR FILM AND TELEVISION PRODUCTION SERVICES

- The refundable tax credit for film or television production services is a tax measure intended to encourage foreign productions to film in Québec and to carry out technical services such as animation and special effects. The eligible company must have an establishment in Québec but without any obligation to be under Québec control.
- If the eligible company is not the copyright owner, it must have signed a contract with the owner covering delivery of production services.
- Refundable tax credit based on directly related production costs, including eligible goods and labour expenditures incurred in relation to an eligible production, delivered on the territory of Québec.
- The production can be partially done in Québec.
- There is no obligation to obtain approved coproduction status.
- No distribution or broadcasting obligation.

## ■ Eligible production categories:

- ◆ fiction films, including films that are composed entirely of sketches each of which is drawn in its entirety from a screenplay and that are specially conceived and arranged for television (including series and miniseries);
- ◆ documentaries lasting a minimum of 30 minutes of programming or, in the case of a series, 30 minutes of programming per episode, excluding documentaries intended for minors and virtual reality documentaries, which may be shorter;
- ◆ eligible films or documentaries include virtual reality (VR) or augmented reality (AR) productions. A VR or AR production offered for free, without being deemed advertising, is eligible to the tax credit for film production services if it is an original production, or an extension or supplement to another production that aims to provide additional information or entertainment for the main production.

## ■ Minimum budget requirements: \$250 000.

## ■ Rates:

- ◆ 20% of expenses incurred and paid in Québec;
- ◆ Bonus of 16% for labour for computer-aided special effects and animation and shooting of scenes in front of a chroma-key screen done in Québec.



## FEDERAL FISCAL INCENTIVES

Federal fiscal measures are administered by the Canadian Audio-Visual Certification Office of Canadian Heritage in collaboration with the Canada Revenue Agency.

### CANADIAN FILM OR VIDEO PRODUCTION TAX CREDIT PROGRAM

- Effective rate up to 15% of the total production cost (equal to 25% of eligible labour expenses up to a maximum of 60% of the total production cost), net of any amount received in aid.
- The Québec producer must retain rights to the production and obtain a certificate from the Department of Canadian Heritage that confirms the production's status as an official coproduction.

### REFUNDABLE TAX CREDIT FOR CANADIAN FILM OR VIDEO PRODUCTION SERVICES

- This tax incentive represents 16% of labour costs incurred by and paid to Canadian residents (permanent residents or Canadian citizens) for services provided in Canada.



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## QUÉBEC FILM AND TELEVISION COUNCIL (QFTC)

The Québec Film and Television Council (QFTC) mission is to contribute to the development and competitiveness of Québec as a world-class film and television production centre.

### PRODUCER SERVICES

- One-stop shop for foreign producers to make the process easier for the entire duration of the shoot;
- Script analysis to determine appropriate filming locations;
- Scouting of potential filming locations;
- Coordination of visits to identified filming locations;
- Production team put in contact with a full range of resources—human (including labour), technical (such as suppliers) and regulatory (licences and permits)—that are critical for your filming to run smoothly.

### LINKS

[QFTC GUIDEBOOK](#)



**Aline** by Valérie Lemercier  
Coproductio France and Québec  
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## **BANKING SERVICES AND FINANCIAL TOOLS**

The investment bank of the Société de développement des entreprises culturelles (SODEC) works with companies in the culture and communications industry. Its authorised financing is intended to meet all of the financial needs of Québec companies in conjunction with other financial partners, in order to create long-term business relationship between cultural enterprises and the financial community.

More specifically, the goals of SODEC's involvement with cultural enterprises are to:

- support the development of all of their activities;
- enable their expansion;
- ensure their long-lasting success;
- strengthen and reinforce Québec property by supporting the transfer of companies.



Its expertise and its thorough understanding of cultural enterprises enable SODEC to tailor its financing according to the specific realities of each production.

SODEC uses a wide variety of financial tools:

- interim financing;
- contract specific financing;
- term loans;
- revolving credit;
- loan guarantees;
- investment in projects and equity (exceptional).



Ballerina by Éric Summer and Éric Warin  
Coproducton France and Québec



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**QUÉBECREATES**

**SODEC**  
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