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2025-26 ONTARIO CREATES INTELLECTUAL PROPERTY FUND

Interactive Content Stream: Pre-Production and Production Guidelines

Deadlines: April 7, 2025 - 5:00 PM ET

September 15, 2025 - 5:00 PM ET

The Ontario Creates Intellectual Property Fund (IP Fund) – Interactive Content documentation includes:

- IP Fund Interactive Content Guidelines (this document)
- IP Fund Interactive Content Budget and Financing Guidelines and Template
- Ontario Creates Program Policies

Applicants must review the documents listed above prior to submitting an application.

These are the guidelines for interactive content projects (Video Games and XR experiences). Applicants seeking support for linear content projects (feature film and digital series) should consult the <u>IP Fund – Linear Content documentation</u>.

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1. Introduction

The IP Fund is intended to drive economic growth in Ontario's screen sectors by investing in activities that support the production and exploitation of innovative, high-quality, consumer-focused content.

The objectives of the IP Fund are to:

- leverage Ontario Creates' investments;
- create jobs;
- grow companies (revenues, size, global impact); and

• expand diversity of content and companies.

The IP Fund - Interactive Content stream supports Pre-Production and Production of:

- Video Games; and
- XR experiences¹.

Ontario Creates is committed to:

- supporting diversity and gender parity;
- providing enhanced accessibility support to people with disabilities, people who are Deaf, and people who face barriers in accessing technology to complete an application; and
- fostering respectful workplaces in all the sectors and companies we support.

Please see **Program Policies** for important details.

2. Eligible Applicants

This program is open to:

- **existing companies*** that develop Video Games and/or XR content experiences as their primary activity; and
- **new companies*** that are owned and/or led by individuals with substantial experience in Video Game and XR content development.

*An *existing company* is defined as one that has more than one year of operation and/or has released a Video Game and/or XR content experience. The company must meet the following requirements:

- at least 50% of revenues and/or expenditures from the past two years are associated with Video Game and/or XR content development activities; and
- have at least one owner or full-time employee at a senior level with a minimum of three years of professional experience working in a full-time capacity in the Video Game and/or XR content industry².

*A *new company* is defined as one that has less than one year of operation and has not yet released a Video Game and/or XR content experience. The company must meet the following requirements:

- have at least one owner or full-time employee at a senior level with a minimum of three years of professional experience working in a full-time capacity in the Video Game and/or XR content industry²; and
- be majority-owned (51% minimum) by individuals that are Ontario residents.

¹ XR experiences include AR (augmented reality), VR (virtual reality), MR (mixed reality) with substantial interactive content, and large-scale, location-based immersive experiences.

² Work that is completed while enrolled in a post-secondary education program is not considered professional experience.

In addition, companies must be:

- a Canadian-owned and controlled organization³;
- incorporated in Ontario or federally and registered in Ontario and if not incorporated at time of application, prepared to incorporate immediately if application is successful;
- Ontario-based³;
- able to demonstrate a principal place of business in Ontario (Ontario-based) if the company has more than 365 days of operation for at least one year prior to the deadline;
- private sector/for profit;
- in sound financial position (including all associated companies); and
- in good standing with Ontario Creates.

If the applicant is a successful funding recipient, they must continue to have a principal place of business in Ontario for the funding duration.

Applications should be submitted by the primary corporate entity and not a single purpose production company.

This program is intended for established studios and individuals with substantial Video Game/XR content development experience. Companies that do not meet the eligibility requirements (recent graduates, companies and individuals transitioning to Video Game and XR content development from other industries or at an emerging stage of their careers, etc.) are directed to the <u>Futures Forward Workshop Program</u> intended for early-stage screen-based companies.

Ontario Creates staff can provide advice regarding eligibility in advance of deadlines but an official decision regarding eligibility will be based on the application material submitted.

3. Eligible Projects and Activities

The IP Fund - Interactive Content stream will support the Pre-Production and Production of:

- Video Games; and
- XR experiences.

Pre-Production

 Supports early-stage activities that take place prior to and assist the applicant company in preparing to enter full production of a Video Game or XR experience. Deliverables may include a pre-release playable version of the game or XR experience (prototypes, demos, MVP, vertical slice) pre-production documents and pitch material, business and marketing plans.

³ See <u>Ontario Creates Program Policies</u> for definitions.

Production

• Supports the creation of a complete Video Game or XR experience that will be made publicly available. Deliverables must include a complete, market-ready Video Game or XR experience that is suitable for release⁴.

The Video Game/XR experience that is the subject of the application must:

- be proprietary⁵;
- be primarily intended for a consumer audience (as measured by source of revenue);
- be intended to entertain⁶;
- be intended for commercial exploitation;
- consist primarily of unique, creative and professional content developed by individuals or groups of individuals; and
- consist primarily of digital content.

Projects that have commenced prior to submission of an application may be eligible provided substantial Pre-Production or Production activities remain (no more than 20% of the project has been completed) and the Ontario Creates contribution will have a meaningful impact on the success of the project. Expenses incurred prior to submission of the application are not eligible.

The following Video Game and XR experiences are ineligible:

- enhancements, improvements, augmentations, ports and redesigns of existing products already released to the market;
- projects primarily used by businesses, organizations, training and educational institutions or for professional development purposes;
- projects that require the creation of physical content components to enable users to interact and engage with the Video Game and XR experience;
- projects that involve gambling/cash prizing; and
- projects receiving support through other Ontario Creates programs for the same activities.

⁴ Video Games and XR experiences that will be augmented or enhanced with additional content and components at a later date and/or require ongoing content creation are eligible provided the applicant company can demonstrate that the portion of the project supported through this program can be considered complete and market-ready. ⁵ The applicant company must:

⁻ own at least 51% of the copyright of the project that is being submitted and/or have obtained permission to adapt any material for the project.

⁻ be able to demonstrate that their revenue share is in appropriate proportion to the ownership of the project and reflects industry standard practices.

Projects that are equally owned by two companies (50/50 share) that meet the eligibility criteria will also be considered eligible.

⁶ Projects with a dual focus on educating and entertaining a consumer audience are eligible.

Other Considerations:

- International partnerships and coproductions are permitted. Preference may be given to projects that are substantially owned by Ontario-based organizations. Official treaty coproductions where the Ontario company is a minority partner may be considered.
- Eligibility for the IP Fund Interactive Content stream does not confer eligibility for the Ontario Interactive Digital Media Tax Credit.

4. Budget, Financing and Timeline Requirements

The program will provide a non-repayable contribution of up to 50% of eligible Ontario expenses⁷.

Pre-Production

- \$15,000 minimum request
- \$50,000 maximum request

Production

- \$50,000 minimum request
- Maximum request is variable and dependent on the applicant's track record.
 - o \$250,000 - new companies
 - Futures Forward workshop alumni
 - existing companies without a recently released project
 - o \$400,000
 - existing companies with a recently released project o \$500,000 existing companies with a recently released project that has achieved commercial success⁸
 - existing companies submitting a project that has secured at least 25% financing from a channel partner (publisher, industry or institutional investor, distributor, platform excluding public funding e.g. Canada Media Fund)
 - consultation with Ontario Creates staff is required for requests at this level

Budgets must be submitted on the template provided and must include all costs through to completion and delivery. The IP Fund – Interactive Content stream will only act as a last-in participant in project financing. Both cash and non-cash contributions must be confirmed in writing at the time of application per the **Budget and Financing Guidelines** and Template. In addition, a minimum 10% of the total project budget is required as a cash contribution from a source other than Ontario Creates (e.g. applicant company or third party). Substantial non-cash contributions will increase the risk profile of the project.

⁷Ontario expenses are defined in the Ontario Creates Program Policies.

⁸Revenue generated at minimum exceeds all costs associated with creating and exploiting the project.

Projects that are under review at the corresponding deadline with other recognized industry funds (e.g. Canada Media Fund) will be considered provided financing is confirmed in advance of a formal Ontario Creates funding commitment. In all cases applicants must indicate whether they are intending to submit applications to other funding agencies. Applications that fail to disclose this information may be deemed incomplete.

Applicants that have higher budgets under review with other funding agencies must submit that budget with their IP Fund application. If appropriate they may also submit a lower, fully financed budget as part of their application with other funder contributions omitted. This alternate budget must be accompanied by a summary of changes that shows how the project scope has been reduced to allow for delivery of a complete project at the lower budget. Alternate budgets will only be considered if they are submitted as part of the application. Approval of alternate budgets is at the discretion of the jury and Ontario Creates.

Expenses incurred prior to submission of the application are not eligible. The applicant must begin incurring expenses no later than 90 days after notification of Ontario Creates' decision. All activities must be complete, and expenses incurred at the conclusion of the program period. To provide applicants with flexibility to respond to volatility in the Video Game and XR industry, the program will allow for project extensions on an as-needed basis as noted. All extensions require Ontario Creates approval.

Project Completion

- Pre-Production within 15 months of notification of the decision (12 months for Pre-Production activities and 3 months for preparation of financial reporting documents) with a possible extension of up to 6 months
- Production within 42 months of notification of the decision (36 months for Production activities and 6 months for preparation of financial reporting documents)

In situations where projects undergo beneficial and significant changes after contracting such that they are no longer able to meet IP Fund requirements, Ontario Creates will negotiate a modified delivery of the project that takes into account the objectives of the IP Fund.

Applicants must review the Ontario Creates <u>IP Fund - Interactive Budget and</u> <u>Financing Guidelines and Template (Pre-Production or Production)</u> which includes information regarding additional budget and financing requirements. Failure to meet these requirements may result in your application being deemed incomplete/ineligible.

5. <u>Application Process and Evaluation</u>

Applications must be submitted to Ontario Creates by 5:00 pm ET on the applicable deadline via the Online Application Portal (OAP) at <u>https://apply.ontariocreates.ca/</u>.

A list of required application materials is outlined in the OAP. Applications must include all requested documentation and adhere to page limits. **Applicants will not have the opportunity to add or replace documentation after the deadline.**

- Applications will be reviewed by Ontario Creates for eligibility and completeness.
- If the application is incomplete or ineligible it will not be further evaluated and applicants will be notified via the OAP.
- Eligible applications that include all the required documents will be reviewed and assessed by a jury of industry professionals and/or Ontario Creates.
- Decisions will be communicated to applicants within 16 weeks of the deadline.
- Ontario Creates reserves the right to withdraw its funding commitment should project financing not be complete within the negotiated time frame per the funding commitment, the project no longer meets one or more of the IP Fund's eligibility requirements or the project changes significantly from time of initial commitment.

Companies and their affiliates may submit up to two applications per deadline ranked in order of preference. Where more than one application is submitted, consideration will be given to the capacity of the applicant company to manage multiple projects simultaneously.

Projects that were not successful at a previous Ontario Creates funding deadline may be resubmitted with the permission of Ontario Creates provided substantial changes have been made. A project may be submitted a maximum of 3 times, after which applications will only be considered in exceptional circumstances. Projects are eligible for withdrawal prior to notification of funding decisions.

6. <u>Decision Criteria</u>

This is a competitive program, and it is anticipated that the total funding request will exceed the available funds. Applicants are advised to ensure that they meet all eligibility requirements before submitting an application. Additionally, applicants should ensure that their application materials clearly convey the strengths of their proposal in relation to the guidelines. The number of applicants who receive funding and the amount awarded will depend on the quantity and quality of the projects recommended by the jury for support and the individual needs of each project.

Ontario Creates applies a lens of diversity, equity, and inclusion to the evaluation criteria for this program, and directs jury members to do the same. Applicants proposing projects/activities that support, reflect and strengthen diversity and gender parity in Ontario are expected to tangibly demonstrate a genuine and sustained commitment to these equity-deserving communities. Ontario Creates may identify particular underrepresented communities within a sector. The provincial definition of diversity includes, but is not limited to: ancestry, culture, ethnicity, gender identity, gender expression, language, physical and intellectual ability, race, religion (creed), sex, sexual orientation and socio-economic status. In assessment of all projects, Ontario Creates uses

and directs industry jurors to refer to key resources: On Screen Protocols and Pathways: <u>https://iso-bea.ca/advocacy-resources/on-screen-protocols-pathways/</u> and Being Seen: Directive for Creating Authentic and Inclusive Content: <u>https://www.beingseen.ca/</u>.

After applicant and project eligibility have been confirmed, applications will be assessed according to the following criteria:

Criteria	Weighting	Considerations may include
Track Record	20%	 company experience with similar projects capacity, skills, knowledge and expertise of the team diversity among senior leadership, staff and/or contract employees evidence of company policies and/or initiatives that support diversity, equity and inclusion
Feasibility and Risks	20%	 clarity of activities and deliverables accuracy of budget and strength of financing contributions suitability of project planning and timelines mitigation of other challenges and risks
Creative Strength	25%	 innovation, creativity, uniqueness potential to result in a high-quality project comprehensive articulation of project components/scope evidence that project supports, reflects and amplifies diversity with respect to content and audience
Economic Benefit	35%	 impact of the contribution on project and company viability of market and opportunity for revenue generation potential for resulting project to be commercially successful benefit to the Ontario economy including employment, spend, leverage value of other funding sources
Total	100%	

7. Successful Applicants

Successful applicants who are Deaf or disabled may be eligible for supplementary funds for accessibility expenses required to complete their project deliverables.

Successful applicants will receive funding as follows:

- 60% on execution of the Ontario Creates agreement;
- 15% on delivery of an interim report;
- 15% on completion of all funded activities and delivery of a final report; and
- 10% on delivery of financial reporting documents.

8. More Information

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These guidelines are for the 2025-26 deadline only. This document is subject to change for future deadlines. Applicants are advised to consult the Ontario Creates website for any relevant Frequently Asked Questions documents and Ontario Creates IP Fund Bulletins for clarifications and alterations to these guidelines.

Ontario Creates is an agency of the Government of Ontario that facilitates economic development, investment and collaboration in Ontario's creative industries including the music, book, magazine, film, television and interactive digital media sectors. <u>ontariocreates.ca</u>