

CMPA/WGC 2023/2024 NEGOTIATION HIGHLIGHTS

This document provides highlights of the changes to the Independent Production Agreement (IPA) agreed by the CMPA and the WGC as a result of 2023/2024 negotiations. Please note that this list is not exhaustive. Please see the Memorandum of Agreement for the full changes to the IPA.

Term and Script Fee/Monetary Threshold Increases

- Term commencing on the later of May 15, 2024 or the date of full ratification (“Effective Date”) and expiring on January 31, 2027 (new IPA applies to contracts executed after the Effective Date).
- Live Action Script Fee increases:
 - 5% effective on the Effective Date
 - 4% effective March 15, 2025
 - 3.5% effective February 1, 2026
- Animation Script Fee Increases:
 - 5% on the Effective Date
 - 11.5% on March 15, 2025
 - 3.6% on February 1, 2026
 - Rates for 10 minute productions amended from “negotiable” to the same rate as 11-15 minute productions
 - Rates for 6-9 minute productions amended from “negotiable” to \$2,950 (302) and \$2,449 (303) on Effective Date and to two-thirds (2/3) of the 10-15 minute rate effective March 15, 2025
 - Floor established for rates for productions over 30 minutes providing that they cannot be less than the 16-30 minute rate
- Maximum per program budget for accessing C1301 Low Budget Television Production Incentive increased by approximately 18% to \$175,000 on Effective Date
- Maximum budget for accessing negotiable rates for all productions increased by approximately 37% to \$82,000

Generative Artificial Intelligence (“GAI”) Protections Applicable to Live Action and Animation

- For the first time, “Development Materials” definitions for Live Action and Animation (Bibles, Concepts and Development Proposals) added. Definitions of “Animation Concepts” and “Animation Development Proposals” corresponding to the Live Action definitions are added to the Animation section to align GAI protections

- Materials generated by GAI shall not be considered Script Material or Development Materials (considered Source Material)
- Mandatory disclosure requirements when producers provide material generated by GAI as Source Material introduced
- An acknowledgment that GAI Source Material being provided by the Producer will not erode Writer or Story Editor rights introduced
- Added a requirement that Guild Members engaged to write Development Materials based on material generated by GAI be contracted under the IPA (rates negotiable)
- New requirement for Producers to warrant that new IPA obligations, including disclosure obligations, are complied with regarding any GAI generated source material provided to Writers and a requirement for Writers and Story Editors to warrant that Development Materials and Script Materials they provide have not been generated by GAI
- Added a provision mandating that to contract for the right to use Script Material or Development Material in which the Writer retains copyright as a source for or to train GAI, Producers must obtain explicit consent from the Writer satisfying the following:
 - Consent is obtained prior to such use
 - Clearly sets out that the parties are contracting for the right to use as source/training for GAI
 - Provides a reasonably specific description of the intended use
 - Provides a separate space for the Writer's signature or initials adjacent to such provision to indicate their clear and conspicuous consent
- Except as provided above regarding Writer consent, both the CMPA and the Guild agreed to reserve all rights regarding their respective positions on training GAI
- Parties committed to meet at least semi-annually during term of renewed IPA to review developments regarding GAI and may mutually agree in writing to implement additional terms and conditions

Other Changes Applicable to Both Live Action and Animation

- Added enhanced anti-discrimination, anti-harassment and equitable hiring language
- Added requirement for individuals engaged under IPA to provide residency documentation to apply for federal and provincial tax credits, etc.
- Time period for Producer to notify Writers of decision to proceed to next stage increased to 30 days (currently 25 days)

Live Action-Specific Changes

- New minimum Story Editor staffing requirement added for Qualifying Series:
 - 2 Story Editors engaged until later of delivery of “white production draft” for all episodes or completion of ¾ of principal photography schedule. One Story Editor will be designated by Producer as senior Story Editor who is meaningfully consulted regarding engagement of 2nd Story Editor
 - Qualifying Series defined as:
 - Greater than 6 episodes
 - Per episode budget of at least \$1.5 million (1/2 hours)/\$2.5 million (1 hours)
 - Does not apply if a single Writer is initially engaged to write all episodes
- For Pilots with a sole credited Writer, ½ of the additional 50% Script Fee “pilot bump” shall not be deductible against the Production Fee
- New obligation to specify the option fee payable on exercise of the option (no less than the minimum Script fee for such material at the applicable stage of development)
- Amended DGR reporting requirements to allow producers that have filed DGR reports for 5 consecutive years and have no change on its reports for 2 years to confirm in writing to the Guild that there has been no change in DGR rather than continuing to file reports unless and until there is a change in DGR (Guild may request Producer file report)
- Amended Production Fee payment requirements to allocate Production Fee payments throughout the block (based on episode number) when a Series is shooting in blocks of 3 or more episodes (i.e. Producer no longer required to pay Production Fee for all episodes in the block at start of principal for a block of 3 or more episodes)
- Excerpt fee provisions amended for productions in which excerpts are 25% or less of program length to remove obligation to pay the Writer of an excerpt if that Writer is a credited Writer on the program incorporating the Excerpt
- Non-CMPA member administration fee increased from 7% to 8%
- New obligation for Producers to provide advance notice to credited Writers of a Feature Film of the world premiere and any other festivals or premieres, if known, within 12 months of the world premiere
- Clarified that fringes must be paid to the WGC in the same currency as payments to Writers

Animation-Specific Change

- New requirement for Producers that publish books based on single Animation scripts to both make reasonable efforts to provide credit to the Writer of the Script Material in the book and to provide the Writer with a copy any such English-language book available in Canada