

**Music Nova Scotia  
Investment Program  
Policies & Definitions  
2021-22**

Administered by  
Music Nova Scotia

with support from  
the Province of Nova Scotia

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## **1.0 Program Objective**

The objective of the Music Nova Scotia Investment Program is to encourage the creation, development and growth of small Nova Scotian music businesses around artists and their intellectual property. The program will enhance the sales and marketability of Nova Scotian produced music, and develop skills for sustainable infrastructure in developing music businesses and entrepreneurs.

## **2.0 Program Investment**

The Music Nova Scotia Investment Program is funded by The Province of Nova Scotia. This commitment is made in support of Nova Scotia's Music Sector Strategy. Music Nova Scotia is pleased to work in partnership with The Province of Nova Scotia to develop and promote the commercial music industry in our province.

## **3.0 Program Definitions of Eligible Applicants**

### **3.1 Artist General:**

- Any Artist who has not reached Artist II or Artist III
- Must have completed two (2) Basic Training Sessions

### **3.2 Developing Company/Entrepreneur (must meet all of the following):**

- Nova Scotian owned business with at least a 51% Nova Scotian client base
- Be a registered Nova Scotian business with CRA business numbers for at least one (1) year (including registered sole proprietors or partnerships)
- A non-Nova Scotian Developing Company/Entrepreneur **may not** be the Applicant for a Nova Scotian Artist
- Be engaged in the primary activities of Artist Management, Booking Agent, Licensing/Sync, Music Publisher, Music Producer, Promoter, Publicity/Promotions, Record Label, Recording Studio or some combination of the foregoing
- Can demonstrate revenues from core business activities including the sale and licensing of recorded music, publishing and commissions

### **3.3 Artist II (must meet all of the following):**

- Updated accomplishments and goals completed in Artist Profile
- Completed five (5) Basic Training sessions
- For groups, band member agreements are mandatory

Must meet three (3) of the following:

- Minimum of 500 lifetime units sold of all releases combined (500 streams -audio and video) = 1 unit sold, 6 single downloads = 1 unit sold)
- Minimum of 3,500 social media followers across all platforms
- Minimum of 400 Spotify followers
- Minimum of 30 performances out of province within the past 2 years
- Song charted on Billboard top 40 within the past 2 years
- Album/EP charted Top 10 on Earshot or NACC with the past 2 years
- \$30,000 in gross revenue (excluding grants) within the past 2 years
- Recognized booking agent (Feldman, APA, Paradigm, Paquin, CAA, WME, ITA. This list is non-exhaustive; please contact the Program Manager if you are an artist who needs this criteria in order to change programs)

#### **3.4 Developing Songwriter/Producer (must meet all of the following):**

- Nova Scotian owned business
- Be a registered Nova Scotian business with CRA business numbers (including registered sole proprietors or partnerships)
- Be engaged in the primary activities of Songwriting or Production, including co-writes and toplining.
- Must have writing credits (minimum 33% writer's share) on a minimum of 2 songs performed by an artist other than the songwriter.
- Can demonstrate revenues from core business activities including the sale and licensing of recorded music, publishing and commissions.

#### **3.5 Artist III (must meet all of the following)**

- Updated accomplishments and goals completed in Artist Profile
- Completed eight (8) Basic Training sessions
- For groups, band member agreements are mandatory

Must meet three (3) of the following:

- Minimum of 1000 lifetime units sold of all releases combined (500 streams -audio and video) = 1 unit sold, 6 single downloads = 1 unit sold)
- Minimum of 8,000 social media followers across all platforms
- Minimum of 1000 Spotify followers
- Minimum of 60 performances out of province within the past 2 years
- Song charted on Billboard top 40 within the past 2 years
- Album/EP charted Top 10 on Earshot or NACC with the past 2 years
- \$60,000 in gross revenue (excluding grants) within the past 2 years
- Recognized booking agent (Feldman, APA, Paradigm, Paquin, CAA, WME, ITA. This list is non-exhaustive; please contact the Program Manager if you are an artist who needs this criteria in order to change programs)

#### **3.6 Export-Ready Company/Entrepreneur**

- Nova Scotian owned business with at least a 51% Nova Scotian client base
- Be a registered Nova Scotian business with CRA business numbers (including registered sole proprietors or partnerships)
- A non-Nova Scotian business **may** be the Applicant for a Nova Scotian Artist
- Be engaged in the primary activities of Artist Management, Booking Agent, Licensing/Sync, Music Publisher, Music Producer, Promoter, Publicity/Promotions, Record Label, Recording Studio or some combination of the foregoing

**a) Record Label - must meet three (3) of four (4)**

- Have core business activities that include recording, marketing and selling sound recordings and artist development
- Can demonstrate revenues from core business activities and a Minimum of 1,500 lifetime units sold of all releases combined (500 streams = 1 unit sold, 6 single downloads = 1 unit sold)
- Have existing distribution for the Canadian market
- Hold the master copyright, or license, for a minimum of two (2) Canadian-artist releases

**Mandatory**

- Have released at least one Canadian-artist recording within the last 12 months
- Must demonstrate the capacity to contribute a minimum financial investment (non recoupable) of 50% of the project's total budget

**b) Music Publisher - must meet three (3) of four (4)**

- Can demonstrate revenue from core business activities
- Have an active roster of at least two Canadian songwriters in addition to any principals in the company
- Own a minimum of 10 original works in the catalogue with at least 50% or equivalent of those works created by Canadian songwriters
- Have published a minimum of 5 new complete Canadian works or equivalent, per year for the past two years, by two or more songwriters who are not shareholders or owners of the publishing firm, deemed by the publisher to be worthy of commercial exploitation, and with consequent demonstrable efforts to do so.

**c) Music Manager**

- Have artistic management as the core business activity
- Can demonstrate revenue from core business activities
- Be managing at least two artists (although exceptions may apply to managers with one artist should the artist's career be at an advanced, international level)
- Be guiding the professional careers of artists in the domestic and international entertainment industry by overseeing their day-to-day business affairs
- Be advising and counselling the artists concerning professional matters, long-term plans and strategic decisions which may affect their careers
- Undertake marketing, promotion and consulting on all facets of the artists' careers

In addition, the music manager must meet two (2) or more of the following criteria:

- At least one artist has commercially released an album within the last 24 months
- A minimum of 30 paid engagements from artist roster over the last 24 months
- At least one artist on roster has sold a minimum of 1,500 units (500 streams = 1 unit sold, 6 single downloads = 1 unit sold)
- At least one artist on roster is either signed to a record label or has licensed a product to a record label with a distribution deal in place.

**d) Booking Agents, Licensing/Sync, Promoters, Publicity and Promotion, Producers and Recording Studios**

- Please contact the Program Manager to determine your status as a Developing or Export-Ready Company/Entrepreneur

**3.7 Export Ready Songwriter/Producer (must meet all of the following):**

- Nova Scotian owned business
- Be a registered Nova Scotian business with CRA business numbers (including registered sole proprietors or partnerships)
- A non-Nova Scotian Developing Company/Entrepreneur **may not** be the Applicant for a Nova Scotian Artist
- Be engaged in the primary activities of Songwriting or Production, including co-writes and toplining.
- Must have writing credits (minimum 33% writer's share) on a minimum of 10 songs that have been performed by artist other than the songwriter.
- Can demonstrate revenues from core business activities including revenue from performing rights organizations, mechanical licensing, and sync licensing.
- At least one co-written song has sold a minimum of 1,500 units (500 streams = 1 unit sold, 6 single downloads = 1 unit sold). For further clarification, units will be further divided by the writers' share on the song (3000 units sold with a 50% writers share equals 1,500 units sold).

**3.8 Community Presenter**

For Music Nova Scotia's purposes' a Presenter is a non-profit organization or society committed to providing musical experiences for their communities. Some undertake only a handful of presentations a year, others may present dozens, but most will stage anywhere from three to eight presentations a season. Some community presenters may have some paid employees on staff, but most rely on community volunteers. Music festivals that wish to present non-festival presentations must contact the Program Officer to confirm eligibility.

## **4.0 Music Nova Scotia Business Policies**

Please note: Music Nova Scotia reserves the right at all times to modify and amend this Handbook and the business policies contained within at any time without notice.

### **4.1.0 Appeals**

4.1.1 In considering an Application, or an issue arising from an Application, Music Nova Scotia staff will apply the Program Guidelines, the terms of the General Agreement, and other binding documentation, in conjunction with Music Nova Scotia's Business Policies. Applicants are expected to read and follow the Program Guidelines and to know and understand the General Agreement and all other terms of the investment. We strongly encourage Applicants to ask questions before submitting their Applications or follow-up documentation rather than assume an outcome. As a rule, late or incomplete Applications in which a step in the process, or a Mandatory Document or field entry has been omitted will be deemed ineligible.

4.1.2 There is no automatic right of appeal. However, in very limited circumstances, Music Nova Scotia may hear an appeal.

4.1.3 Requests to appeal will be considered first by the Music Nova Scotia Program Manager. If the appeal relates to a program rule (such as eligibility of the Applicant, or failure to supply a Mandatory Document) or a term of the investment agreement (such as a capped cost, or the meeting of a deadline), then it will not be allowed to go forward.

4.1.4 However, if the appeal raises a policy issue or is based on some misstatement of fact or misinterpretation of a rule by Music Nova Scotia staff, then the Applicant may request an appeal. The merit of such request will be considered by the Music Nova Scotia Executive Director and President of the Board of Directors. If the request is found to have merit, it will be referred to the Board of Directors for appeal. If not, it will be refused and the refusal will be final.

4.1.5 If an appeal is considered by the Board of Directors, the Board's decision will be final.

4.1.6 A client who feels that a policy or program rule is inappropriate or unworkable and should be reviewed is invited to make those views known to the Music Nova Scotia Program Manager in writing. Staff may in turn invite the Board to consider a policy or rule change. However, in the event of a policy change, the Board will not reconsider previous decisions. New or amended rules will not be applied retroactively.

### **4.2.0 Applicant Agreement – Terms of Application**

4.2.1 By submitting an Application, Applicants agree to be bound by Music Nova Scotia's Program Guidelines and these Business Policies that together constitute the Terms of Application. Prospective Applicants are advised to review these rules and documents in advance of submitting their Applications.



#### 4.2.2 The Applicant warrants that:

- a) The Application (including its associated Applicant Profile) has been prepared in good faith, with due regard for Music Nova Scotia's rules and business policies; and those of Music Nova Scotia's contributors including the Nova Scotia Department of Communities, Culture and Heritage;
- b) It has complied with all terms and conditions stipulated in the agreement(s) for any and all previous programs in the music industry supported by the Province of Nova Scotia in which the Applicant has received assistance;
- c) It has full right and title to exploit any copyrights or other intellectual property as contemplated in the Application, and to enter into an Agreement with Music Nova Scotia;
- d) The information contained in the Applicant Profile and the Application is true and complete;
- e) The budget projections contained in the Application are based in fact and have been prepared according to best commercial practice, with due diligence and moderation. Music Nova Scotia shall have the right to withdraw all or part of the recommended investment if the actual budget reported on Completion is substantially different from the projected budget or cannot be substantiated to Music Nova Scotia's sole satisfaction.

4.2.3 The Applicant and its representatives, legal surrogates, parent companies, affiliates, subsidiaries and divisions assume the entire risk of loss and/or damage arising out of the Application for investment, the approval or disapproval of the Application and the payment or non-payment of such investment.

4.2.4 The Applicant indemnifies Music Nova Scotia (and its directors, officers and employees) against any direct, indirect, consequential or incidental loss or damage arising out of the Application, its approval or non-approval, or the payment or non-payment of investment.

4.2.5 The Applicant may not institute any claim or proceeding against Music Nova Scotia (or its directors, officers or employees) by reason of any approval or disapproval of Music Nova Scotia in connection with an Application for investment or in connection with any payment or allocation of investment.

4.2.6 If the Applicant is not the Artist but has a contractual relationship with the Artist, the Applicant warrants that it has fulfilled, and will continue to fulfill, its contractual obligations to the Artist and the contractual obligations imposed by the successful receipt of Music Nova Scotia investment on behalf of the Artist, regardless whether the relationship with the Artist should change or cease.

4.2.7 An Application will be deemed ineligible if it engages or benefits, directly or indirectly, any party that is not in good standing with Music Nova Scotia, including but not limited to Artists and current or former Applicants and Recipients.

### **4.3.0 Application Process**

4.3.1 Prior to being able to make an Application, all prospective Applicants must first complete an Applicant Profile.

4.3.2 The Music Nova Scotia Program Manager will review each Applicant Profile and assign each Applicant as one of the following:

- a) Artist Level I
- b) Artist Level II
- c) Artist Level III
- d) Developing Company/Entrepreneur
- e) Export-Ready Company/Entrepreneur
- f) Community Presenter
- g) Developing Songwriter/Producer
- h) Export Ready Songwriter/Producer

4.3.3 Applicant Profiles must be completed no later than seven (7) days prior to an application deadline. Applicants who wish to change levels must update their profile no later than fourteen (14) days prior to an application deadline and must contact the Program Manager by email and request to change levels.

4.3.4 If an Applicant has created an Applicant Profile previously the Applicant is not required to create a new Applicant profile. Existing Applicant Profiles, however, must be updated no later than seven (7) days prior to an application deadline.

4.3.5 If an Applicant is no longer able to access an existing/previous Applicant Profile or is unsure if they have created an Applicant Profile previously, please contact the Music Nova Scotia Program Manager and DO NOT create a new Applicant Profile.

4.3.6 Where an Application Deadline has been designated by Music Nova Scotia, Applications (including all Mandatory Documents and uploads) must be submitted online no later than 11:59 PM Atlantic Time on the Deadline Date.

4.3.7 Application Deadlines can fall on weekend days.

4.3.8 Applicants are strongly advised to speak to the Music Nova Scotia Program Manager well in advance of the Deadline Date in order to insure that the Applicant, project, and costs are eligible, and to foresee other issues that might arise.

4.3.9 Program Guidelines (including all rules and requirements) are subject to change and are frequently updated. Please check the Music Nova Scotia website prior to making an Application to ensure you follow the current guidelines.

4.3.10 All Applications are subject to the availability of funds as determined by Music Nova Scotia.

4.3.11 Applications completed online must be submitted with all information and documents required in the online Application at the time of submission. Incomplete Applications will be rejected.

4.3.12 If, during the online Application process, the Applicant encounters some technical difficulty related to the operation of Music Nova Scotia's Online System (OS), it is the responsibility of the Applicant to inform Music Nova Scotia by email or telephone, prior to the Deadline Date, if such technical problems impede the submission of an Application. Music Nova Scotia will not allow an Application to be re-submitted where a complaint is made about the technical operation of the OS after the Deadline Date.

4.3.13 Hard copy Applications are not accepted.

4.3.14 Music Nova Scotia does not accept Applications of any kind by fax or email.

4.3.15 The Program Guidelines and the information submitted in the Applicant Profile as well as the contents of the Application and all related documentation are part of the General Agreement if the project is approved.

4.3.16 Once the Application has been submitted, Music Nova Scotia staff review the documentation to ensure eligibility of the Applicant, the project and the costs. Music Nova Scotia staff may at their discretion, contact the Applicant to ask for additional materials or other clarification.

4.3.17 Music Nova Scotia reserves the right to refuse any Application, for any reason, or to propose or impose modifications to the budget submitted.

4.3.18 Music Nova Scotia reserves the right to make inquiries with third parties to verify any statements and/or costs submitted.

4.3.19 If the Application is for a Juried component, Music Nova Scotia staff will forward all eligible Applications to a Jury for review, approval or rejection.

4.3.20 For non-Juried components (Business Travel, Community Presenters), the eligible Applications are sent to the Music Nova Scotia Executive Director and Program Manager for review and approval or rejection.

4.3.21 The Jury and/or Music Nova Scotia staff, while finding an Application and all of its costs to be eligible to be funded, may reduce, alter, pro-rate or refuse a contribution as it sees fit.

4.3.22 Once the Jury and/or Music Nova Scotia staff has approved or rejected an Application, Music Nova Scotia staff will notify the Applicant. Music Nova Scotia's key terms and conditions of investment will be set out in an Annex to the General Agreement. Both parties must execute this agreement before the Application will be processed further.

4.3.23 Following full execution by both parties of the General Agreement, Music Nova Scotia may at its discretion offer to advance all or part of the approved amount of investment as an advance payment of the final Disbursement Amount.

4.3.24 Individual Applicants are required to provide a Social Insurance Number at the time of execution of the General Agreement. Business Applicants must provide a Business Number. All Recipients are solely responsible for any income tax implications that may arise as a result of their receipt of Music Nova Scotia investment.

#### **4.4.0 Artist Advance**

4.4.1 Only Cash Advances paid out-of-pocket to the Artist will be recognized as an Eligible Cost. Music Nova Scotia will not recognize nor reimburse an Artist Advance paid In-Kind, in the form of merchandise or any other non-cash goods or services.

4.4.2 Music Nova Scotia investment must be applied by the Applicant as a credit toward project costs. No portion of Music Nova Scotia investment may be retained by the Recipient while any project costs remain recoupable against an Artist's royalty account.

#### **4.5.0 Assessment Process (Artist Development, Artistic Creation Program, Developing Songwriter/Producer, Marketing, Mentorship, Showcase Support, Tour Support)**

4.5.1 Once the Applicant has created or updated their Applicant Profile and has submitted an Application, Music Nova Scotia staff will review the Application and determine if it meets the Program's eligibility requirements. All eligible Applications are then reviewed by an Assessment Jury of jurors who have been approved and assembled by Music Nova Scotia.

4.5.2 Jurors are representatives from the music industry. Jury members are required to disclose any conflict of interest when assessing a project.

4.5.3 The Jury will assess each Application based on the quality of music, lyrics, vocals, musicianship and originality (Artist Development), as well as bio, photos and other supplementary information provided with each Application. Criteria and weighting of criteria vary from component to component.

4.5.4 If the Jury recommends the Application for investment, Music Nova Scotia may award the full amount requested in the Application, but reserves the right to award a lesser amount based on its assessment of the Applicant's proposed expenses, or based on the total amount of investment available, or for any other reason.

#### **4.6.0 Assessment Process (Business Travel, Community Presenter)**

4.6.1 Once the Applicant has created or updated their Applicant Profile and has submitted an Application, Music Nova Scotia staff will review the Application and determine if it meets the Program's requirements. All eligible Applications are then reviewed for approval by the Music Nova Scotia Program Manager and Executive Director.

4.6.2 Music Nova Scotia may award the full amount requested in the Application, but reserves the right to award a lesser amount based on its assessment of the Applicant's proposed expenses, or based on the total amount of investment available, or for any other reason.

## **4.7.0 Nova Scotia Residency Requirements**

4.7.1 Only Nova Scotia residents and companies are eligible for Music Nova Scotia investment. For Music Nova Scotia's purposes:

- a) An Artist comprised of more than one member is deemed Nova Scotian if at least half of the members are residents of Nova Scotia;
- b) A registered sole proprietorship is deemed Nova Scotian if the business is registered in Nova Scotia and the sole owner is a resident of Nova Scotia;
- c) A registered partnership is deemed Nova Scotian if the business is registered in Nova Scotia and at least half of the partners are residents of Nova Scotia;
- d) An incorporated company is deemed Nova Scotian if the business is registered in Nova Scotia and residents of Nova Scotia beneficially own or control (i) in the case of a corporation with share capital, at least 50% plus one (1) of all the issued and outstanding voting shares; or (ii) in the case of a corporation without share capital, at least 50% plus one (1) of the total value of the assets;
- e) A non-profit association is deemed Nova Scotian if it is registered in Nova Scotia and at least half of the members of its Board of Directors are residents of Nova Scotia.

4.7.2 Music Nova Scotia may require an Applicants proof of residency at anytime.

## **4.8.0 Commercial Release**

4.8.1 "Commercial Release, Commercially Released" means the sound recording has been legally offered to the public for sale, download, stream, or other method of public consumption, via a music retailer or digital music service, provided that the nature of such offer is commercial, meaning that its purpose is to generate revenue of which the Artist whose performance is embodied on the sound recording is entitled to be paid a share. Physical formats of the sound recording packaging must feature a UPC barcode; each track must have been assigned an International Standard Recording Code (ISRC) number.

4.8.2 The date on which the sound recording is first offered in the manner described above shall be deemed the Commercial Release Date. In respect of an Album, the Album shall be considered "Commercially Released" when all the tracks on the Album have been commercially released.

4.8.3 The following are examples of what Music Nova Scotia deems a Commercial Release.

- a) The sound recording is being released by a record label, and is being sold by a distributor through physical and digital music retailers.
- b) The sound recording is being released by a record label, but will only be available in vinyl and in digital formats. The vinyl is being sold Off-Stage, and the digital version is being sold through iTunes and other digital retailers. In this case, the Commercial

Release Date will be the date the digital version is first made available for sale through the digital retailer.

c) The sound recording is being distributed through a content aggregator and is being sold worldwide through many digital retailers.

d) The sound recording is being released by the Artist independently, but is being sold through (for example) iTunes, CD Baby, Bandcamp and local record stores.

e) The sound recording is being released by a record label, or by the Artist independently, and is being sold through retailers serviced directly by the label and/or the Artist, but only as approved by Music Nova Scotia on a case-by-case basis.

f) The sound recording is being manufactured in vinyl format, has a UPC barcode and is being offered for sale Off-Stage; but only where the Artist has a SoundScan Venue Settlement Account and is reporting offstage sales to SoundScan.

g) The sound recording is being offered for sale online at a “pay what you want” price provided that some actual sales have been made, at a price higher than zero.

4.8.4 The following are examples of what Music Nova Scotia does NOT deem a Commercial Release:

a) The Artist or record label is pre-selling copies of the eventual sound recording. In this case, the Commercial Release will take place when the sound recording is made available to all members of the public, not just those who pre-bought the album.

b) The sound recording is only being offered for free on the Artist’s website or any other website.

c) The sound recording is being given away for “free with purchase” of another item. However, if the sound recording is included in a ticket price AND the Artist is reporting off-stage sales through SoundScan, then Music Nova Scotia may recognize the commercial release.

d) The Artist is manufacturing CDs but is only selling them Off-Stage, but does not have a SoundScan Venue Settlement account and there is no digital retail activity.

e) The sound recording is streaming exclusively on a music blog for a week before it goes on sale in stores. In that case, the week during which it is streaming only, does not count as the commercial release.

f) The sound recording is streaming on a public video exhibition site such as YouTube.

#### **4.9.0 Completion Reports**

4.9.1 Every Recipient is required to complete the project and submit the documentation in the format required and within the timeframe set out in the General Agreement. This will include, at a minimum, an activity report and a

final cost report, and supporting financial documentation including invoices, receipts and Proofs of Payment as required by Music Nova Scotia.

4.9.2 Music Nova Scotia may, at its sole discretion, allow an extension to the Completion deadline and may allow modifications to the list of proofs and documentation required.

4.9.3 If your completion report has not been submitted by the completion report due date and you have not been given an extension on your project, you will be notified by the Investment Program Manager that your completion report is past-due.

4.9.4 Upon notification, you will have 28 days to submit your completion report to the satisfaction of the Investment Program Manager. Failure to submit your completion report will result in default, upon which you may be asked to pay back some or all of the funds you were issued.

#### **4.10.0 Logo and Acknowledgement**

4.10.1 As a material condition of investment, every Recipient must publicly acknowledge the financial support of Music Nova Scotia and the Province of Nova Scotia. The specific requirements of logo and acknowledgment placement are set out in the General Agreement for the project, and in the Logo & Acknowledgment Guide.

4.10.2 Failure to provide the appropriate acknowledgements and logos, as assessed solely by Music Nova Scotia, may result in a reduction of investment of up to 15% of the Disbursement Amount; or may be deemed an Event of Default.

#### **4.11.0 Default**

4.11.1 The General Agreement sets out the contractual definition of Default, including Events and Effects of Default.

4.11.2 A Recipient who is found in Default may not access any further investment, and is deemed ineligible to apply for any further investment, until Music Nova Scotia has, in its sole judgment, declared the Default to have been remedied. Such remedies may include the full repayment to Music Nova Scotia of the Disbursement Amount.

4.11.3 If a Recipient found in Default has more than one active Application, all Applications of that Recipient will also be considered in Default and may be put on hold until such time as all Defaults by the Recipient have been declared by Music Nova Scotia to have been remedied.

4.11.4 An Artist who has been found in default as a Recipient is ineligible as the subject of an application by any Applicant, regardless of that Applicant's

good standing, until Music Nova Scotia has declared the Artist's Default to have been remedied.

#### **4.12.0 Disposition of Masters (Active Projects)**

4.12.1 Whenever Music Nova Scotia's Guidelines, or Agreements or other documentation contain the phrase "owned or controlled" in respect of a sound recording, Music Nova Scotia's intention is that only one party is eligible to apply for Music Nova Scotia investment for any one project in any one program at any one time. That party is the eligible entity that has exclusive control of the exploitation rights in the sound recording at the time of application, regardless of whether that control was gained by way of ownership in first instance, by limited or unlimited sale or acquisition, by license, by assignment or by any other means of transfer. Notwithstanding the foregoing, Music Nova Scotia will allow an Artist to apply for Live Performance, regardless of who controls the Canadian copyright in the sound recording, but subject to the Guidelines for that Program.

Example: A Canadian record label licenses a recording from an independent Artist. The license provides for the label to have exclusive exploitation rights in Canada for ten years, while the Artist retains ownership of the sound recording copyright. In that event, only the record label is eligible to apply to Music Nova Scotia for investment related to that sound recording, because it is the party that exclusively controls the right to sell and exploit the sound recording in the marketplace.

4.12.2 For the purposes of this section:

a) "Eligible Canadian Record Label" means:

i. An Eligible Record Label defined in the business policies; provided that such record label must not be an Associated Company of, or a Related Party to the Recipient.

ii. A "MEC Company" recognized under Canadian Heritage's Music Entrepreneur Component – Aid to Canadian Sound Recording Firms component of the Canada Music Fund; or

b) "Sold," "Sale" means a conveyance, in exchange for a purchase price, of all rights in and to the copyright of the sound recording.

c) "Assigned," "Assignment" means a transfer of interest in, or ownership of, the sound recording.

d) "License," "Licensed" means a conveyance of rights wherein one party who controls certain exploitation and other rights in a sound recording grants limited rights to another party in exchange for a fee and other consideration.



e) "Transfer," "Transferred" means any conveyance of some or all of the interest, including ownership or title, in a sound recording copyright, and/or the benefits derived from the exploitation of those rights. When exclusive control of the sound recording copyright changes hands in any transaction, Music Nova Scotia deems the sound recording to have transferred.

5.12.3 The restrictions contained in this policy apply ONLY to Active projects with Music Nova Scotia investment, meaning a full-length sound recording where the first application for investment has been approved and is being undertaken by the original recipient, and ONLY to the exclusive Canadian exploitation rights (including copyright) in those sound recordings.

For clarification: The Canadian exploitation rights (including copyright) in projects with Music Nova Scotia investment that have been completed, may be licensed or sold without further notification to or restriction by Music Nova Scotia.

#### **4.13.0 Dispute with Recipient and Third Parties**

4.13.1 Music Nova Scotia deems all Applications and agreements between itself and Applicants and Recipients to be confidential. Music Nova Scotia will not intervene in a dispute between an investment Recipient and any third party except in the following circumstances:

- a) The third party is a supplier claiming that the Recipient was reimbursed by Music Nova Scotia for an expense related to the supplier's provision of goods and services that the supplier claims were never provided, or if provided, remain unpaid;
- b) The third party is an Artist claiming that the Recipient record label has charged back or recouped from the Artist's royalty non-repayable investment in contravention of the Artist Advances provisions; or has falsely represented the Artist's acknowledgment and agreement to the Recipient applying for investment in the name of or on behalf of the Artist; or
- c) Such other limited circumstances as Music Nova Scotia may identify from time to time.

4.13.2 If the dispute involves the payment or non-payment of monies claimed back to Music Nova Scotia by the Recipient, Music Nova Scotia may at its sole option declare an Event of Default by the Recipient, or take such measures as it deems fit.

4.13.3 Music Nova Scotia may also direct the parties in dispute toward mediation or other form of conflict resolution not engaging Music Nova Scotia, excepting that at the direction of Music Nova Scotia the Recipient's applications may be held in abeyance until Music Nova Scotia is satisfied that the dispute has been resolved.

4.13.4 The provisions of this policy are to be interpreted without affect or prejudice to any term of legal agreement between Music Nova Scotia and the Recipient.

#### **4.14.0 Donated Services**

4.14.1 Music Nova Scotia will recognize budget items designated as Donated Services only in limited circumstances and as set out in the Program Guidelines and/or eligible costs detail for that Program.

a) In the Artist Development stream, only for the artist or members of the artist group, to a maximum of \$500 per application.

#### **4.15.0 Eligible Applicants (Artists, Companies/Entrepreneurs, Presenters, Songwriters)**

4.15.1 Eligible Artists:

- a) Only Nova Scotian Artists are eligible to apply and/or be subject of an application.
- b) Non-resident Nova Scotian Artists are NOT eligible for Music Nova Scotia investment.

4.15.2 Eligible Music Company/Entrepreneur:

- a) Be a Nova Scotian owned business with at least a 51% Nova Scotian client base.
- b) Be engaged in the primary activities of a Record Label, Music Distributor, Music Publisher, and/or Artist Manager, or some combination of the foregoing.
- c) Be a registered Nova Scotian business with CRA business numbers (including registered sole proprietors or partnerships).
- d) A non-Nova Scotian business may be the Applicant for a Nova Scotian Artist.

4.15.3 Any Applicant and/or Recipient who has been found in Default is ineligible until such time as Music Nova Scotia declares such Applicant and/or Recipient is no longer in Default.

#### **4.16.0 Eligible Costs – General Terms**

4.16.1 This section applies to all Music Nova Scotia Investment Program components unless otherwise noted. Eligible Costs specific to each stream have been moved to the Program Guidelines. Please see those documents for rules specific to each stream.

4.16.2 Only those costs identified by the Applicant in the Application and approved by Music Nova Scotia will be deemed Eligible Costs.

4.16.3 Goods and services purchased from outside of Nova Scotia will be deemed Eligible Costs with the exception of the 50% requirement in the Artist Development stream.

4.16.4 As a general rule, Eligible Costs must be bona fide third-party costs paid out-of-pocket by the Applicant. Applicants are advised to discuss the eligibility of any and all non-cash costs with Music Nova Scotia in advance.

4.16.5 Where Music Nova Scotia allows Eligible Costs to be expended In-House, those costs must be charged, in Music Nova Scotia's sole opinion, at verifiable fair market value with no mark-up. For in-house services, the party providing the services must be in the business of, or professionally employed to provide such services. Likewise, allowable costs paid to Related Parties must also be charged at verifiable fair market value with no mark-up. Please see the Program Guidelines for details.

4.16.6 Generally, and unless otherwise explicitly allowed by Music Nova Scotia, you may not apply for costs that you have already incurred.

4.16.7 Generally, and unless otherwise explicitly allowed by Music Nova Scotia, Eligible Costs will begin to be deemed eligible after the Application has been received at Music Nova Scotia.

For clarity: as soon as your application has been received by Music Nova Scotia, you may begin incurring Eligible Costs. Costs incurred and paid prior to the submission of an Application are generally deemed ineligible. Music Nova Scotia may allow certain earlier costs on a case-by-case basis.

#### **4.17.0 Social Media Statistics**

4.17.1 The cost to purchase "likes," "views," "followers" or other social media statistics is an ineligible cost in all streams.

4.17.2 Music Nova Scotia periodically audits the social media statistics provided in Artists' Profiles.

#### **4.18. Deadlines and Extensions**

4.18.1 Once a Project has been funded, it is a condition of investment that Recipients meet all deadlines set by Music Nova Scotia for the project.

4.18.2 Extensions are never assumed or automatic. It is the Recipient's responsibility to request an extension (if available) prior to the deadline passing. To do so, the Recipient should send an email to the Program Manager at Music Nova Scotia, giving the reason for the request and proposing a new date. Music Nova Scotia may grant an extension.

4.18.3 If a specific time period passes and the matter remains unresolved, then the Recipient will be held in Default.

4.18.4 "Default" means that the Recipient is in breach of contract. At Music Nova

Scotia's sole option, a finding of default means that all funds disbursed toward the whole project must be repaid as set out in the General Agreement; the cross-default provisions of the General Agreement apply, meaning that the Recipient and any affiliated companies, partners and shareholders may also be held in default on all other projects, and are prevented from receiving any additional approved investment or applying for any new investment, which status will continue until Music Nova Scotia clears the default.

#### **4.19. Music Nova Scotia Investment Advance**

4.19.1 When an Application has been approved and the Recipient has executed the required agreements to Music Nova Scotia's satisfaction, Music Nova Scotia may, at its sole discretion issue a payment to the Recipient representing a portion of the Disbursement Amount.

4.19.2 Upon Completion of the project, the Music Nova Scotia Advance will be deducted from the final Disbursement Amount, and the balance, if any, will be issued to the Recipient as final payment.

4.19.3 If, as assessed by Music Nova Scotia, the Total Eligible Budget upon Completion is less than the amount applied for or approved at the Application stage, such that the deduction of the Music Nova Scotia Advance results in a negative balance (an "Overpayment"), then the Recipient must repay such Overpayment to Music Nova Scotia and in accordance with the timeline imposed by Music Nova Scotia upon Completion. Failure to repay an Overpayment may be deemed an Event of Default.

#### **4.20. MAPL Certification**

4.20.1 MAPL is a point system for calculating the Canadian content of a single track or album. MAPL stands for Music, Artist, Production, Lyrics. To qualify for Music Nova Scotia investment, Qualifying Albums and Qualifying Titles must meet the following two criteria:

a) ARTIST. 100% of the track(s) must be performed by a Canadian Artist. An Artist (group) is Canadian if at least half of the group members are Canadian; and

b) MUSIC and/or LYRICS. Each of the tracks will be assessed. The total quantity of Music and Lyrics on the album must add up so that at least half of the album is composed by a Canadian.

i. For an instrumental track: if a single track has no Lyrics, then at least 50% of its Music should be composed by a Canadian.

ii. For an instrumental album: the total quantity of Music must add up so that at least half the album is composed by a Canadian.

iii. For an album that has tracks both with and without lyrics: at least 50% of the album's total Music and Lyrics must be written by a Canadian.

4.20.2 In the case of tracks that are co-written by a Canadian, the Canadian co-writer must have written at least 50% of the track for it to count toward the Music or Lyrics point.

4.20.3 A new arrangement of music in the public domain can be claimed as Canadian provided that the composer of the new arrangement is Canadian. Lyrics in the public domain may be claimed as Canadian if the original composer was Canadian.

4.20.4 Tribute or “cover” albums may be excluded on a case-by-case basis from the Music and Lyrics requirement; however, they must be produced in Canada in a Canadian studio. Please contact Music Nova Scotia in advance to ensure eligibility.

4.20.5 Provided that it meets the two MAPL criteria above (Artist, and Music and/or Lyrics), an album that has been or will be produced outside of Canada may qualify, subject to Music Nova Scotia approval.

#### **4.21.0 Other Sources of Investment**

4.21.1 For all streams, Applicants must disclose all other Public Investment that is being applied toward the Eligible Costs submitted to Music Nova Scotia. See Glossary: Public Investment.

4.21.2 Music Nova Scotia’s contribution plus all other Public Investment may not exceed 100% of the Total Eligible Budget.

4.21.3 Where Public Investment disclosed on Completion exceeds 100% of Total Eligible Budget, Music Nova Scotia’s contribution may be reduced.

4.21.4 Music Nova Scotia treats investment derived from Canadian Content Development (CCD) contributions by private radio broadcasters (including, for example, FACTOR and the Radio Starmaker Fund) in the same manner as Public Investment. Music Nova Scotia’s contribution plus all other CCD investment may not exceed 100% of the Total Eligible Budget.

4.21.5 Music Nova Scotia considers revenue derived from “crowd investment” (e.g. Kickstarter, Patreon etc.) to be private, not Public Investment.

#### **4.22.0 Related Party Transactions (RPT)**

4.22.1 The value of any estimated RPT included within the project budget must be separately disclosed to Music Nova Scotia on Application, and the actual final cost at the time of Completion, along with a description of the basis of measurement for how the cost was valued.

4.22.2 Definition of “related party” per section 3840 of the CICA Handbook:

a) Related parties exist when one party has the ability to exercise, directly or indirectly, control, joint control or significant influence over the other. Two or more parties are related when they are subject to common control, joint or common significant influence.

Related parties also include management and immediate family members.

b) A related party transaction is a transfer of economic resources or obligations between related parties, or the provision of services by one party to a related party, regardless of whether any consideration is exchanged. The parties to the transaction are related prior to the transaction. When the relationship arises as a result of the transaction, the transaction is not one between related parties.

c) Control of an enterprise is the continuing power to determine its strategic operating, investing and financing policies without the cooperation of others.

d) Significant influence over an enterprise is the ability to affect the strategic operating, investing and financing policies of the enterprise.

#### **4.23.0 Grant Writer – Standards**

4.23.1 Grant-writers are expected to act in good faith in their dealings with Music Nova Scotia, to keep up-to-date with Music Nova Scotia's rules, policies, and guidelines, to communicate those to their clients; and to advise their clients to do the same.

4.23.2 Every applicant has the right to full disclosure by Music Nova Scotia of the applicant's files. Even if appointed the primary contact or administrator, a grant-writer may not block or attempt to block an applicant's access to information.

4.23.3 Both the grant-writer and the applicant are expected to understand the content and scope of the application and all of the terms of investment. The applicant is deemed to have read and approved the application as submitted, and remains at all times ultimately responsible for the execution of the project, disbursement of funds, and any and all reports.

4.23.4 The applicant is responsible for the work of the grant-writer. Music Nova Scotia will not overlook or forgive errors made by a grant-writer even if the error has a negative impact on the applicant's investment or standing with Music Nova Scotia.

4.23.5 A grant-writer may not be the named applicant or payee on the application. Music Nova Scotia will only remit funds directly to a grant-writer if directed to do so by the applicant subsequent to (a) a Letter of Direction, duly authorized by the applicant or (b) a management agreement or other agreement that, in Music Nova Scotia's opinion, clearly authorizes the grant-writer to receive, retain, disburse and administer the Music Nova Scotia investment.

4.23.6 Privity of contract is always between Music Nova Scotia and the applicant. In the event of any monetary or other dispute between the applicant and the grant-writer in respect of a project, Music Nova Scotia will remove the grant-writer as a contact and will proceed with the applicant as the only contact.

4.23.7 Music Nova Scotia does not require all or any portion of the allowed Administration Fee to be paid to a grant-writer. The amount and payment schedule of the grant-writer's fee is a matter of negotiation between the parties.

4.23.8 Music Nova Scotia does not endorse or recommend grant-writers. Applicants are urged to review references provided by other clients before proceeding to hire a grant-writer.

#### 4.24.0 Jury Scoring

4.24.1 A jury of a minimum of three (3) musicians and/or industry professionals will review your submission. The juries are different each round, for each exporting level. Your application form and the supporting materials should provide all the information the jury needs to know about you and your project.

4.24.2 Scoring for Marketing, Mentorship, Showcase & Tour Support components:

- 35% Project concept - The jury will look at what you plan to do.
- 35% Project plan - The jury will assess the thoroughness of your strategy, knowledge of the target market, investment versus gain, and your follow-up plan.
- 15% Project Team - The jury will want to know the experience of the members of your team and their function.
- 15% Financing - The jury will assess your financial ability to execute plan and realism of budget.

4.24.3 Scoring for Artist Development, Artistic Creation, and Developing Songwriter/Producer component:

Songs (Writing, Arrangement, Composition, etc.)	25
Vocals/Lyrics (style, range, *musical dynamic, *emotional impact of song, etc.)	25
Musicality (performance, skill, technique, *interpretation, etc.)	25
Development Plan, Artist Biography and any additional materials submitted	25
Total	100

\*Jurors reviewing Assessment Tracks of Instrumental music or Jazz/Classical “standards” will consider these elements.

## 5.0 Glossary

### **Administration Fee**

An amount, usually calculated as a percentage of Total Eligible Costs, representing a contribution toward the Applicant's overhead costs (such as occupancy and staffing costs). The maximum amount and method of calculating the allowable Administration Fee may change from time to time, or may be eliminated altogether, at Music Nova Scotia's discretion. Administration fees are not required by Music Nova Scotia to be paid to a grant-writer or any other supplier. How much a grant-writer is paid is a matter of contract between the applicant and the grant-writer.

### **Album**

A collection of sound recordings packaged together. For Music Nova Scotia's purpose an Album includes at least six songs or compositions, or runs at least twenty minutes in duration. Provided that all tracks are Commercially Released within 12 months of each other, six different single tracks, or several tracks running in excess of twenty minutes, may constitute an Album. For Music Nova Scotia's purposes a collection of remixes of the same track will not constitute an Album.

### **Applicant**

The Applicant is the individual person or business entity making the application for investment. The Applicant is the entity who will enter into a binding agreement with Music Nova Scotia and is responsible for receiving, disbursing, and Completion of the funds advanced. Upon approval of investment, the Applicant becomes the Recipient, and is the party who may be in default if there should be a finding of Default in the performance of the General Agreement.

### **Applicant Agreement**

A legal agreement between Music Nova Scotia and an Applicant into which the Applicant enters at the time of submitting an Application for investment, which sets out the terms of Application.

### **Application**

All of the documents, including Music Nova Scotia's guidelines and forms along with the Applicant's field entries and submissions and the contents of related Artist Profiles or Applicant Profiles, that are submitted at the time of Application, or are required by Music Nova Scotia to be submitted in the assessment process, or are required to be submitted in the completion process, which together constitute all the information relevant to the request for investment.

### **Application Date**

The date upon which the Application is received by Music Nova Scotia

### **Application Deadline**

The latest date and time, as published or otherwise set by Music Nova Scotia, upon which Music will accept the submission of an Application.

### **Approval/Approved**

A result of the assessment process by which Music Nova Scotia accepts the Application for investment, including any modifications to the proposed activities, amounts, and schedules made by Music Nova Scotia. Music Nova Scotia's eventual assessment of the application upon Completion will be based upon the contents of the approved file. An Application that has been approved may not be changed or altered by the Applicant except by permission of Music Nova Scotia.



**Artist**

One or more persons performing as a musical group or band. For Music Nova Scotia eligibility: (i) a solo Artist must be a Nova Scotian citizen or permanent resident; (ii) If the Artist is a group, at least half of the group members must be Nova Scotian residents; (iii) the Artist must be engaged in the development of their own music career and is expected to have significant control over their creative product and brand identity; (iv) For clarity, a musician or group of musicians performing music created on a work-for-hire basis (where the copyrights are owned as work product by the contractor), for the primary purpose of marketing or promoting a product or service, will not be considered an Artist for the purpose of Music Nova Scotia eligibility; (v) in the case of a new group comprised of formerly solo Artists, Music Nova Scotia will deem the collaboration to be a new and distinct Artist if the group is marketed as such.

**Business Plan**

A document that outlines an Artist or music company's short- and long-term goals, including strategies for their achievement and a projection of the related costs.

**Commercial Release**

The event of the sound recording being legally offered to the public for sale, download, stream, or other method of public consumption, via a music retailer or digital music service, provided that the nature of such offer is commercial, meaning that its purpose is to generate revenue of which the Artist whose performance is embodied on the sound recording is entitled to be paid a share. Physical formats of the sound recording packaging must feature a UPC barcode and catalogue number; for all formats including CD and digital, each track must have been assigned an International Standard Recording Code (ISRC) number.

**Company Documentation**

All of the documentation that verifies the ownership and constitution of an Applicant's business, and may include business name registration and Business Number, partnerships agreement(s), and incorporation documents as applicable; along with annual financial statements. This documentation is required for submission at the time of first Application for the Business Development investment stream.

**Completion**

The process of closing a Music Nova Scotia Investment Program related to an Application, during which the Recipient files a Completion Report and, as requested by Music Nova Scotia, additional documentation to be reviewed by Music Nova Scotia staff before the final costs are approved by Music Nova Scotia and the file paid out and closed.

**Copyright**

Per the Copyright Act of Canada: "Copyright is the sole right to produce or reproduce a work or any substantial part thereof in any material form, to perform the work or any substantial part thereof in public, or, if the work is unpublished, to publish the work or any substantial part thereof."

In every sound recording, there is a copyright in the master recording, and separate copyrights in the underlying music composition and lyrics.

For Music Nova Scotia's purposes, only the party that controls the copyright in the sound recording master may apply for investment under the marketing program.

(See Own or Control, below.)

**Current Release**

The Artist's most recent Commercially Released sound recording.

**Deal Memo**

A short-form contract for goods or services. In respect of Eligible Crew, a deal memo should set out, at a minimum, the names of the parties to the contract, the date of execution, the start and end dates, a description of services being provided, and the amount and nature of payment being exchanged.

**Default**

As designated solely by Music Nova Scotia, a finding of material breach of agreement. Among other penalties, an Applicant or Recipient in Default is deemed not in good standing, and may not apply for nor receive any investment.

**Digital Distributor**

An individual or company whose business includes gathering music in digital format from multiple Artists and Record Labels for the purpose of legally selling individual music files, and legally licensing digital music files for use by digital music services.

**Digital Music Service**

A legal business whereby music in digital format is offered to the public for sale as permanent downloads or other form of consumption such as streaming, mobile ringtones, etc.

**Digital-Only Release**

A sound recording that has been or will be Commercially Released only in digital format.

**Digital Retailer**

A legal business whereby music in digital formats is sold to the public, whether by the album or by the track, such as iTunes, etc.

**Digital Sales**

The results and proceeds of sales made by a digital retailer and/or digital music service.

**Disbursement Amount**

The funds allotted to the Recipient to complete a Project as approved by Music Nova Scotia.

**Distribution Agreement**

An agreement entered into between an Artist or record label, and a music distributor, whereby the distributor undertakes responsibility for wholesaling a sound recording to a music retailer in exchange for a distribution fee. A distribution agreement may also provide for the distributor to assume the cost of manufacturing, warehousing, and other goods and services, the costs of which it is entitled to deduct from sales revenues. In a distribution agreement, the Artist or record label retains significant control and corresponding risk with respect to decisions related to marketing, spending, deployment of the Artist's services and so on.

**Distributor**

A music company that is primarily in the business of the distribution of music.

**Donated Services**

The performance of services for consideration but with no exchange of cash payment.

**Download**

A song, track or album in digital format that has been made legally available to the public for transfer from a remote server to a consumer's local device.

**Duplication**

The act of copying a sound recording multiple times for the purpose of distribution.

**DVD**

Digital Video Disc. For Music Nova Scotia's purposes, a music DVD is an audio-visual production featuring one or more Artists, and packaged for public performance and/or sale in physical and/or digital formats.

**Effect of Default**

The consequence or consequences that may arise as a result of a finding of Default, as set out in the General Agreement.

**Eligible Budget**

The total of Eligible Costs in an Application, as determined by Music Nova Scotia

**Eligible Crew**

A person hired by the Artist for a Tour or Showcase to provide only the services of Tour Manager, Driver, Road/Equipment Technician, Lighting Technician, Sound Mixer, Merchandise Seller, or a combination of the foregoing, in exchange for wages. Eligible Crew must travel with the Artist for all or a substantial portion of the Tour. To establish an Eligible Crew member, the Applicant must submit a signed Deal Memo upon Application, and Proof of Payment upon Completion. An Eligible Crew member cannot also be claimed as a member of the Artist or as a Hired Musician.

**Eligible Music Company/Entrepreneur**

A Record Label, Music Distributor, Music Publisher, and/or Artist Management company that meets certain criteria required being eligible to apply to certain programs. Booking Agents, Producers, Promoters, Publicists and Recording Studios may also be considered.

**Eligible Traveler**

A person who is a) a member of the Artist; or b) a Hired Musician or Eligible Crew member whose paid services have been engaged by the Artist for the duration of a Tour or Showcase; AND c) who has been approved by Music Nova Scotia as an Eligible Cost.

**E.P. or EP**

A sound recording comprised of more than one but fewer than six songs or tracks and that runs less than twenty minutes.

**Event of Default**

The occurrence of an event, as set out in the General Agreement, that triggers Music Nova Scotia's right to find the Applicant in Default of the agreement.

**Exclusive Recording Artist Agreement**

A type of record label agreement whereby an Artist agrees to provide exclusive recording services to a record label, usually in exchange for the payment of advances and royalties, and other consideration including the release of the Artist's recorded material. In an Exclusive Recording Artist Agreement the record label typically gains the original and residual ownership of the copyright in any product of the Artist's services, as opposed to a license agreement where the record label's control of the copyright is for a defined term.

**Export-Ready**

Music Company that has had demonstrable commercial success in the Canadian market, and/or shows demonstrable potential for success in an international market.

Please read our Program Guidelines for details.

**Fiscal Year**

For Music Nova Scotia, the period beginning April 1 of one calendar year and ending March 31 of the subsequent year.

**Full Audit**

A review by Music Nova Scotia of all of the expenses and supporting documentation submitted upon Completion. A review by Music Nova Scotia of all of the expenses and supporting documentation submitted upon Completion.

**Full-Length**

An Album, having at least six different songs or tracks, or running in excess of twenty minutes in duration. Provided that all tracks are Commercially Released within 12 months of each other, six different single tracks, or several tracks running in excess of twenty minutes, may constitute a full-length Album for Music Nova Scotia purposes.

**General Agreement**

A binding agreement between Music Nova Scotia and an Applicant, which sets out Music Nova Scotia's terms and conditions of investment. Each Applicant is required to execute a General Agreement at the time of Application. The specific terms of each individual investment program are set out in an Annex, as defined herein, which is attached to the Offer and forms part of the General Agreement once the Application has been approved.

**Good Standing**

The state of being in compliance with all Music Nova Scotia obligations, with no detriment to continued transaction with Music Nova Scotia.

**Grace Period**

Unless otherwise specified, a Grace Period is seven calendar days (one calendar week).

**Hired Musician**

A musician who is hired to provide his or her services on a contracted, project basis, in exchange for wages. If claimed as an Eligible Cost, the Hired Musician must be Nova Scotian, and the Applicant must submit an agreement or Deal Memo for the Hired Musician's services and provide Proof of Payment on Completion. A full-time member of the Artist, or an Eligible Crew member, cannot also be claimed as a Hired Musician.

**Home Show**

A paid, ticketed public performance that takes place in a private residence rather than a commercial venue.

**Independent Contractor**

A person or company that is not salaried nor usually employed by the Applicant, but provides services on a negotiated fee-for-service basis.

**Individual/Sole Proprietor**

An individual person doing business or an unincorporated business entirely owned by one person.

**Ineligible**

An activity or cost that Music Nova Scotia will not approve nor reimburse.

**In-House**

Goods or services that are provided by, or an activity that is undertaken by, the Applicant itself (including its employees, exclusive contractors, or band members in the case of an Artist Applicant) rather than outsourcing to a third party.

**International Standard Recording Code**

Also, ISRC. An international standard code for identifying unique sound recordings, which can be embedded in a digital music file. In Canada, ISRC codes are assigned by (among others) CONNECT music licensing. [www.connectmusic.ca](http://www.connectmusic.ca)

**Juried Program Stream(s)**

Singly and collectively, the Artist Development stream, the Business Development stream, the Live Performance stream and the Marketing stream.

**Loan-Out Company**

A corporation formed by an Artist for the purpose of doing business for their personal services under that corporation's protection. Music Nova Scotia does not consider a loan-out company to be a Music Company for the purposes of program eligibility.

**Manufacturing**

The creation of duplicate copies of a sound recording master, along with artwork and packaging in physical format.

**MAPL**

An acronym standing for Music, Artist, Production, Lyrics. Sometimes referred to as "Canadian Content" or "CanCon." Music Nova Scotia's MAPL requirements differ slightly from those of Canadian radio standards.

Please see Business Policies: MAPL Certification

**Marketing Plan**

A document that sets out a plan for the commercialization of a sound recording or other investment project, including a schedule and projection of related costs.

**Master**

The final mix of all the recorded tracks of a sound recording as stored on a device, from which copies for promotional and consumer use are made.

**Master Acquisition**

An agreement by which one party acquires all the rights in a sound recording master, typically for the life of the copyright.

**Master Side**

The synchronization rights that attach to the sound recording master.

**Metadata**

A layer of digital information about a sound recording such as artist name, album title, record label, release date, copyright owners, and so on. With a CD the metadata is not normally displayed by the player, but can be accessed by specialized music playback and/or editing applications. In an MP3 the metadata is contained in the ID3 tag.

**Music Company/Entrepreneur**

Music Nova Scotia defines a Music Company as one whose primary business activities are that of a Record Label, Artist Manager, Music Distributor, Music Publisher, Booking Agents, Licensing/Sync, Promoters, Publicity and Promotion, Producers and Recording Studios. To be eligible for certain programs, a Music Company must also meet the definition of an Eligible Music Company.

**Music Publisher**

An entity whose business is primarily the marketing, licensing and administration of copyrights in songs and compositions, and ensuring that songwriters and composers receive payment for the performance, reproduction and other commercial uses of the compositions.

**Net Revenue**

A standard term in commercial arrangements and contracts, usually meaning gross revenue after deduction of fees, costs or other agreed-upon deductions.

**No-Case**

An unofficial showcase that takes place during the dates of a conference or festival, but is not recognized and/or promoted by that conference or festival.

**Offer**

(a) The amount of investment that Music Nova Scotia is prepared to contribute to a project following the Approval of an Application, along with terms of acceptance and related documents. The amount of the Offer and the Disbursement Amount may differ on Completion, depending on the final analysis of the project and the amount of Eligible Costs declared by the Recipient; (b) the notification sent to successful Applicants informing them that their Application has been approved, and containing the Offer.

**Off-Stage Sales**

Sales of sound recordings to the public at a live performance by the Artist, usually undertaken by the Artist rather than the record label, but including sales through music festivals where the sales are made through a temporary retail store on the festival site.

**Own or Control**

Refers to control of the exclusive exploitation rights flowing from copyright in a sound recording. Only one party is eligible to apply for Music Nova Scotia investment for the Marketing stream at any one time; and that party is the eligible entity, or is the authorized representative of the eligible entity, that has exclusive control of the exploitation rights in the sound recording at the time of Application, regardless of whether that control was gained by way of ownership in first instance, by limited or unlimited sale or acquisition, by license, by assignment or by any other means of transfer. As a general rule, eligibility to apply for marketing support always follows the party that controls the sound recording.

**Partnership**

An association or relationship between two or more individuals, corporations, trusts or partnerships that join together to carry on a business.

**Per Diem**

Meaning "per day," a per diem is an amount paid to a service provider in addition to wages or salary, that is meant to compensate that person for miscellaneous expenses (such as meals) incurred as a result of traveling for work or business.

**Performance Rights Organizations**

Also, PRO. An organization, usually non-profit, that acts as an intermediary between music rights holders and parties wishing to license those rights for public performance, reproduction or other commercial use. In Canada, PROs include SOCAN, CMRRA, SODRAC and SPACQ

**Pre-Production**

With respect to a sound recording, pre-production means the activities undertaken by the Artist and the Artist's team in preparation for the making of the sound recording, including songwriting and rehearsal time. With respect to audio-visual productions including Videos and DVDS, pre-production refers to the activities undertaken in preparation for the filming or taping of the production.

**Previously Unreleased**

A sound recording that has never been Commercially Released.

**Private Investment**

Project investment provided by an entity whom Music Nova Scotia deems to be private, such as an individual, record label, publisher etc.

Please see Business Policies: Other Sources of Investment.

**Producer**

The person or persons hired by the Artist or Record Label to produce the sound recording, including managing the production budget and/or making creative, financial and scheduling decisions.

**Production Plan**

A Production Plan provides an overview for the video production including the pre-production, shoot, and post schedules, key crew, casting, wardrobe, travel, locations, and any notable technical details.

**Professional Songwriter**

A Professional Songwriter is a Songwriter with a membership to a performing rights organization, and whose songs are primarily intended to be performed and/or recorded by someone other than the songwriter.

**Professionally Manufactured**

A sound recording reproduced and packaged in physical format (such as CD or vinyl), including artwork, ISRC codes and a barcode, by a company that is in the business of such manufacturing.

**Program Guidelines**

A document published by Music Nova Scotia that sets out the parameters of eligibility for Applicants, activities and costs, as established and amended by Music Nova Scotia from time to time. Unless otherwise noted, Applications are assessed by the Program Guidelines in force on the Application Deadline date or, in the case of a Rolling Deadline, the Application Date.

**Project**

All of the eligible activities intended to be undertaken by the Applicant and that are proposed in a unique Application under any Music Nova Scotia investment stream.

**Project Administrator**

The sole User in the Online System authorized to manage a particular Project. There is only ever one Project Administrator for each Project. The Project Administrator has full read/write access to the Project. The Project Administrator may or may not be the Applicant.

**Project Completion**

The state of a Project being completed.

**Proof of Residency**

A photocopy or scan of a birth certificate, Permanent Resident card, Citizenship Card, Secure Certificate of Indian Status, or the photo and biometrics page of a current passport.

**Proof of Ownership**

Documentation that verifies the Applicant's claim to ownership or control of the sound recording, songs, or other property that is the subject of an Application. Examples include: license agreements, exclusive recording Artist agreements, acquisition agreements, production agreements, partnership agreements etc.

**Proof of Payment**

Documentation that confirms the payment of an eligible cost, including canceled cheques, credit card and debit card receipts, money order and postal order receipts, wire transfer and online transfer receipts, credit card and debit card statements and, where allowable, cash register and signed personal receipts.

**Proof of Performance**

Documentation that verifies that a live performance date took place. For Tour Dates, Music Nova Scotia will accept a copy of the promoter's settlement sheet, or the booking agency's final statement. These must indicate the date, city and venue and indicate the final payment received. Tour itineraries, posters and print ads will not be accepted as Proof of Performance; however, Music Nova Scotia may accept ticket stubs or media reviews on a case-by-case basis. For Showcase dates, Music Nova Scotia will accept samples of flyers, posters, programs, print-ads, live photographs, ticket samples, videos (physical or online), web-links, live show reviews from external publications, and confirmations from publicists/ promoters/radio promoters.

**Proof of Sales**

Verifiable, third-party documentation that indicates the number of sound recording Units sold at retail; meaning sold and not returned, as claimed by the Applicant, including physical and digital retail sales, and off-the-stage sales where allowable. Music Nova Scotia must approve all providers of such documentation as Music Nova Scotia-Approved Distributors.

**Public Investment**

Project investment derived from any Canadian entity that Music Nova Scotia deems to be public in nature, including any investment from a private radio broadcaster(s) that is approved by the CRTC as a contribution to and eligible Canadian Content Development (CCD) initiative (e.g. FACTOR, Radio Starmaker Fund); and any investment derived from a federal, provincial or municipal source. Revenue raised by crowdinvestment (e.g. Kickstarter, Indiegogo) is NOT "public investment."

**Publishing Side**

The synchronization rights that attach to the underlying composition.

**Qualifying Album**

A Full-length sound recording comprised of previously unreleased tracks that is performed by a Nova Scotian Artist; and (b) conforms to Business Policies: MAPL Certification. For clarity, an album of remixed, previously released tracks does not constitute a Qualifying Album.

**Qualifying Release**

A Qualifying Album that has been Commercially Released.

**Radio Investment**

Investment derived from a radio broadcaster's contributions to Canadian Content Development (as mandated by the CRTC) such as the Radio Starmaker Fund. For Music Nova Scotia's purposes, Radio Investment is considered Public Investment.



**Recipient**

An Applicant receiving Music Nova Scotia investment as the result of an approved Application.

**Record Label**

A Record Label is primarily in the business of licensing or acquiring the exploitation rights in sound recordings, and working with Artists to promote and commercialize sound recordings. Record Labels typically engage music distributors to place and manage orders of their products with retailers.

**Recoupable**

Also, recoup. An amount of money, and/or the cost of goods or services, that is offered to an Artist in a recording, license, or publishing agreement; the recoupable amount is then paid back to the record label or publisher, usually at the rate of the Artist's share of royalties. It is standard practice in the music industry that recoupable amounts are paid back to the offerer in first position, meaning that the Artist receives no royalties until recoupment.

**Recoupment**

The point upon which all recoupable costs have been paid back or recouped.

**Retail/Retailer**

The sale of music to the public through a physical or digital shop. When used by Music Nova Scotia, "retail" does not extend to off-stage sales except in the case of an onsite music festival retailer.

**Revenue**

The total amount of money earned by a person or company, through sales or the provision of goods or services.

**Rolling Deadline**

A deadline that is not set on a specific calendar date. See Program Guidelines for further details.

**Royalty**

A negotiated share of the revenue derived from the exploitation of a music copyright.

**Royalty Performer**

The Artist or an individual member of the Artist group who is entitled to receive royalties from sales of a sound recording.

**Royalty Report**

A report created for a specific royalty earner (such as the Artist) by a record label or distributor, that sets out gross revenues earned, less any expenses, as agreed in each instance by the parties to a label agreement or distribution agreement.

**Sales Report**

A report produced by a Music Distributor that sets out, among other things, the number of units sold.

**Showcase**

A performance for a target audience of music industry professionals more so than the general public; the goal of a Showcase is to attract interest of potential industry partners, such as booking agents, managers and record labels.

**Signing Authority**

A person duly authorized by an Artist or Applicant to enter into binding agreements with Music Nova Scotia on the Artist or Applicant's behalf.

**Signing Authorization**

A document signed by an Artist or Applicant that confers signing authority upon a designated person.

**Single**

A song or composition offered as a stand-alone item for public performance and/ or purchase.

**Songwriter**

An individual (or, in the case of a songwriting team, two or more individuals) who composes music and/or lyrics to original songs.

**SoundScan**

Also, Nielsen SoundScan. The official information and sales tracking system for music and music videos in North America. SoundScan reports are accepted by Music Nova Scotia as Proof of Sales.

**Starmaker-Eligible**

An Artist that is eligible for investment from the Radio Starmaker Fund, according to the rules of the Radio Starmaker Fund.

See [starmaker.ca](http://starmaker.ca)

**Stream**

The legal performance of a sound recording in real time over digital networks, where the audio file stored on an offsite hard drive and is not downloaded by the listener for permanent storage.

**Supplier**

An individual person or company that has provided goods or services to a project.

**Sync License**

A legal agreement that sets out the terms by which a party (such as a producer) is authorized to synchronize copyrighted music along with visual images. There are two sets of rights engaged in a synchronization license: the rights attached to the composition, and the rights attached to the sound recording master.

**Term**

(a) A point of negotiation in an agreement, or a clause that sets out how that point or item shall be handled in an agreement; (b) The duration of an agreement.

**Territory**

(a) The target area for a tour of marketing activity; (b) A standard contract term referring to the geographical or commercial limits to a grant of rights. For example, if the Territory in a license agreement is set at "The Universe," it is unlimited and the licensor will have the right to exploit the rights granted throughout the world.

**Total Eligible Budget**

The total of all Eligible Costs plus the Administration Fee (if any). The percentage of Music Nova Scotia's contribution to the Total Eligible Budget is a maximum of 50% or 75% depending on the component or program.

**Tour**

For Music Nova Scotia's purposes, a Tour is a continuous series of public engagements, taking place at different venues, for a contracted performance fee.

**Tour Date**

A calendar date on which the Artist is contracted to perform during a Tour. The Tour Date must be paid and contracted, and able to be verified with Proof of Performance. All performances taking place during one calendar day constitute one Tour Date.

**Track**

A sound recording of one individual song or composition.

**Unit**

A unit of sale; for Music Nova Scotia's purposes, in physical music sales this means one Album and in digital music sales it means either one Album or six individual track sales. In streaming, 500 streams means one unit.

**Unreleased**

A sound recording that has not been Commercially Released.

**Upcoming Release**

To qualify for the Live Performance stream, an Upcoming Release is a Qualifying Album intended for Commercial Release in the Territory of the Tour or Showcase within six months of the latest scheduled Tour or Showcase date.

**Venue Settlement Program**

A subscription program offered in Canada by Nielsen SoundScan which allows Artists to report off-stage merchandise sales.