

# FACTOR Canada

## ARTIST ENTREPRENEUR

### Program Guidelines

### 2025-2026

#### Program Intent

Artist Entrepreneur is a program for top tier artists who are significantly investing in growing their businesses. Artists applying to this program must own/control rights to their sound recording masters in the Canadian market. Artist Entrepreneur complements the Company Envelope program and is designed for increased flexibility for eligible activities and expenses during the program period – aligned with FACTOR's fiscal year (April 1 – March 31). The funds in this program are awarded competitively among eligible applicants and are determined via the applicant's committed investment and FACTOR's available budget.

#### Program Overview

1. Artist Entrepreneur is a program intended to assist Canadian artists who own and control their masters, copyrights, and touring rights, and who are making significant investments in the activities related to growing their audience.
2. Artist Entrepreneur funding is allocated once a year for recipients to undertake a suite of activities fostering the development of the artist and the promotion of their music. These activities can include expenses related to the production and marketing of their active sound recordings, domestic and international touring, including showcasing where applicable. Activities must be central to the development of the Canadian artist, the promotion of their music and the expansion of their audience. Applicant artists can only include activities for which they control the rights.
3. Business plans must separate Domestic from International activities. Markets where further growth has potential will be prioritized. i.e: An applicant may have become successful and profitable enough domestically or in specific international markets and only those markets that offer new audience to be grown will be eligible for funding.
4. Funding for this program is provided by the Individual Initiatives component of the Canada Music Fund (CMF) which aims to increase the diversity of Canadian music artists connecting with audiences worldwide, and Canada's Private Radio Broadcasters. FACTOR's contribution may be up to 50% of total eligible expenses.
5. The minimum investment commitment for this program is \$50,000.
6. The maximum funding level per individual artist applicant is up to \$75,000. Please note that there is no guarantee that any applicant will receive the maximum annual offer.
7. Detailed review of applications will take up to eight weeks from the application deadline.

#### Application Deadline

8. **August 14, 2025, at 5:00pm Eastern Time** for activities taking place from April 1, 2025 – March 31, 2026.

## Who Can Apply

9. Canadian Artists falling into a Top Tier designation defined as at least one of the following categories:
  - a) Artists who have achieved the maximum number of funded projects via FACTOR's Juried Sound Recording programs (received funding for three JSR projects - any combination of Single/EP and Album).
  - b) Artists rated Artist 3 for the Fiscal Year
10. Canadian Artists who own and control a Canadian company and are in good standing with FACTOR and The Government of Canada.
11. Artist Company Owners who control exclusive rights for their active sound recordings in at least Canada and possible other international territories for the activities they are applying for. Ie, Applicant could control Canada master rights and touring rights worldwide, and activities applied for would need to match those rights and territories.
12. Must have updated Artist and Applicant Profiles in FACTOR's client portal in order to be adjudicated in this program. Please go to the [How to Apply page on the FACTOR website](#) for instructions.
13. Be committed to make a minimum investment of \$50,000 in eligible activities of relating rights controlled to grow your audience and business (for production and promotion of sound recordings, tours and showcases, and/or publishing) for the period of April 1, 2025, to March 31, 2026 regardless of funding offer. Those investments should be in line with the artist's current strategy and investment history.
14. Applicants must demonstrate a financial need to make the planned investments in the development of their careers, the promotion of their music and the expansion of their audience. Specifically:
  - a) Applicants must have reported a net profit margin including public funding and before interest, taxes, depreciation, and amortization (**EBITDA**) of less than **15%** in at least one of its last three years. Artists who do not meet that criterion must demonstrate that a significant portion of those profits were or will be reinvested back into their careers. Applicants may not have gross revenues of over \$1.75 million in two consecutive years within the last three.
  - b) Applicants whose average total dividends/profitability reported in their last three financial years exceed their request for funding in the current program year must demonstrate their financial need to carry out their CMF eligible music activities. Applicants that reported dividends, bonuses and other extraordinary compensation for company shareholders or owners in their most recent financial year must attest that CMF funding was not used for those payments (dividends, bonuses and other extraordinary compensation for company shareholders or owners are ineligible expenses in the Artist Entrepreneur program).
15. Artists applying with their own record label as the applicant company must be the only artist on that label's roster. If an Artist Label has 2 or more Artists, they may be eligible to apply to the Company Envelope Program.
16. Musical content created and supported through this program may contain no more than 50% French-language lyrics. Artists whose music exceeds the 50% French-language lyric threshold should apply for funding through Musicaction.
17. In support of CMF diversity and inclusion policy priorities, FACTOR will give added consideration to applications from Indigenous artists as well as artists from equity-deserving groups - including those from official language minority communities (OLMC), racialized artists, artists who identify as part of the 2SLGBTQIA+ community, artists with disabilities, and women artists.
18. FACTOR welcomes and encourages applications from applicants with disabilities. Please contact your Program Administrator or our general information account to discuss options for accommodations throughout the application process, as well as FACTOR's Accessibility Support Fund.

## How to Apply

19. To apply, applicants must submit an application in the FACTOR portal that includes:

- a) Declaration of Rights
- b) Affiliated Companies
- c) Uploading of Artist Description
- d) Uploading of Marketing Plan and Investment Strategy
- e) Uploading of Financial Statements for the past three fiscal years (PDFs) - Financial statements must be prepared by a Chartered Accountant. FACTOR will accept audited financial statements, review engagement reports, or notice-to-reader/compilation engagement reports.
- f) Uploading of Revenues and Investments form
- g) Submission of Investment Totals
- h) Complete Applicant Attestation
- i) Artist Profile – Provide the most up-to-date information for all mandatory sections of the Artist Profile (including Audience and Demographic information) as of the date of application.

20. All Applicants should read FACTOR's Business Policies before starting an application.

## How Applications are Assessed

21. The funds in this program are awarded competitively among eligible applicants depending on the available budget in the fiscal year (April 1 – March 31) who demonstrate financial need and growth potential.

22. Applicants will be assessed on the following criteria:

The artist's ability to reach and grow audiences, based on both previous investment and current success measured by revenue, artist's proposed investment strategy, relevance and scope of proposed activities, feasibility of the investment strategy (funding history, organizational and financial capacity, feasibility regarding planned expenses, risk, etc.) and expected results.

23. The Artist Entrepreneur program provides financial support for artists' annual investment strategy; the majority of the budget is allocated by its assessment. The budget is divided across the three assessment steps as follows: 20% on revenue, 20% on recent investments and 60% for planned investments.

### Assessment Steps:

- a) **Revenues (20% of the total Artist Entrepreneur budget):** the portion of the contribution for this step is allocated based on each artist's eligible net revenues (i.e. net of royalties and fees due to profit sharing partners) in the last three years as a percentage of the total eligible net revenue in the last three years of ALL artists in the program applicant pool.  
*As an example, if an artist has \$50,000 in eligible revenues (net of any amounts owed to profit sharing partners), and the total pool of eligible revenue across all applicants in the program is \$4M, that artist would receive 1.25% (\$50K/\$4M) of the Artist Entrepreneur budget allocated to this step. If the Artist Entrepreneur budget for the program year is \$1M, \$200K would be allocated for revenue in the program year and as result the artist would be awarded \$2,500 or 1.25% of 200k in this step.*
- b) **Recent investments (20% of the total Artist Entrepreneur budget):** the portion of the contribution for this step is allocated based on each artists' total investments in eligible activities from the most recently completed program year (April to March) Each recipient's amount is based on their portion of total eligible investments of all recipients.
- c) **Investment Strategy (60% of the total Artist Entrepreneur budget):** Amounts in this section are determined by an assessment of each applicant's investment strategy. The investment strategy must provide detail for each activity. These elements will be assessed according to the following elements:
  - i. Applicability of the proposed activities to the objectives of the Individual Initiatives Component, including international investments in support of the CMF's objective to develop audiences for Canadian artists outside of Canada.
  - ii. Relevance and scope of the proposed activities.
  - iii. Feasibility of the investment strategy (funding history, organizational and financial capacity, feasibility regarding planned expenses, risk, etc.)
  - iv. Expected results.

## Conditions of Funding

24. Applicants must be able to carry out the planned investments on their application form regardless of the final amount of funding offered by FACTOR.
25. Applicants must be in good standing with the Crown, the Department of Canadian Heritage, or any other government department as well as with third-party administrators FACTOR and Musicaction.
26. Once an applicant has accepted an Artist Entrepreneur funding offer, they may not access additional funding through FACTOR's project-based programs.
27. Once an application is approved, changes to the proposed activities having a budget impact of 20% or more of planned investments should be reported and discussed with the client's Program Administrator immediately. Such changes may impact mid-year and/or final payments as offers are partially assessed on the client's planned investments.
28. Recipients of funding in support of exploitation of copyright or tour and showcase support should notify their Program Administrator if they intend sell, assign, license, or otherwise transfer the control of the related rights to another party.
29. FACTOR restricts the transfer of ownership and control of sound recordings which it funds under its programming. Recipients of funding in support of the creation of sound recordings are obliged, for a period of two years after commercial release, to notify FACTOR of their intention to sell, assign, license, or otherwise transfer the control of the sound recording to another party. In some cases, FACTOR may require the funding to be repaid when the sound recording is transferred. Please speak with your Program Administrator for more details.

## Eligible Activities

30. Your activities must foster the development of your career, promote your music, and expand your audience, as related to an [active sound recording](#). Only revenues and expenses related to the activities listed below can be reported.
31. Eligible activities are related to the following functions:
  - a) Production of sound recordings which meet FACTOR's definition of "Active" (main activity – sound recordings)
  - b) Marketing of sound recording
  - c) Touring and Showcasing
  - d) Publishing

## Ineligible Activities

32. Any activity related to the production and promotion of Canadian works that, in FACTOR's opinion, contain or promote any of the following is deemed ineligible:
  - a) material that is hate propaganda, obscene or child pornography, or any other illegal material, as defined in the Criminal Code;
  - b) pornography or other material having significant sexual content unless it can be demonstrated that there is an overriding artistic, educational, or other similar purpose;
  - c) material that contains excessive or gratuitous violence;
  - d) material that is denigrating to an identifiable group; or any other similarly offensive material.
  - e) Expenses relating to compilations and reissues are ineligible. However, revenues could be considered to the extent that the sound recording meets the Canadian content requirements.
  - f) Tour-related activities that do not further career development. This includes musicals, retrospective/tribute shows, variety shows, charity or corporate shows, etc.
  - g) Tour-related activities that are not intended to promote an artist's active sound recordings (album or multiple tracks).

## Funding and Payments

33. **Schedule of payments for 2025-2026:** After the funding offer is accepted by the applicant, FACTOR will issue 50% of the contribution amount as an advance payment. The next installment of up to 40% of the contribution amount will be issued when the Mid-year Cashflow Report has been received, reviewed, and accepted by FACTOR. The remainder of the funding is paid out when the completion has been received, reviewed, and accepted by FACTOR.
34. To receive FACTOR funding, recipients must submit banking information for direct deposit. The bank account name must appear on the void cheque/Direct Deposit/pre-authorized payment form, and this must match the Applicant name associated with the recipient's file.

## Eligible Expenses

35. Eligible expenses are those related to Canadian artists for eligible activities undertaken between April 1 and March 31. The following lists of eligible expenses are demonstrative and are not exhaustive. If you have any planned expenses that are not listed below, please contact the Program Administrator before submitting your application.
36. Sound recording expenses.
  - a) Artist, musician and backing vocals fees
  - b) Arrangements
  - c) Cover art
  - d) Equipment Rental
  - e) Manufacturing expenses
  - f) Mixing and Mastering
  - g) Producer fees
  - h) Studio fees
  - i) Travel expenses for recording within Canada.
37. Marketing and Promotion, including video expenses.
  - a) Album release performance expenses
  - b) Digital ads
  - c) Media (advertising and press)
  - d) Music video and visualizer production
  - e) Posters and graphic design
  - f) Press and other promotional photography
  - g) Radio tracking
  - h) Stylists
  - i) Travel related to promotional performances.
38. Music Publishing expenses.
  - a) Song Promotion/Plugging/Sync
39. Touring and showcasing expenses.
  - a) Artist, musician, and technician fees
  - b) Visas to perform internationally where applicable
  - c) Backline and other equipment and rigging rentals
  - d) Promotion expenses
  - e) Third-party artist management fees and commissions up to 20% of verified performance income. A statement, invoice or settlement sheet showing commission payable must be provided at Completion to claim this cost
  - f) Third-party booking agency fees and commissions up to 20% of negotiated and verified performance income. A statement, invoice or settlement sheet showing commission payable must be provided at Completion to claim this cost
  - g) Travel expenses (transportation, accommodation, per diems, etc.) Please contact the Program Administrator for specific details.

## Ineligible Expenses

**40.** Funding provided through the Artist Entrepreneur program cannot be used on the following expenses:

- a) Equipment purchases and purchases of capital assets;
- b) Salaries/benefits, overhead costs or any other expense not directly related to the eligible activities;
- c) Taxes that are subject to rebate to the recipient (such as VAT, HST);
- d) Musicians' union dues, penalties, fines, pension contributions and any other union-mandated payments;
- e) Merchandising;
- f) Grant writing services;
- g) Acquisition of catalogues;
- h) Exchange of services ;
- i) Audit, legal (for example, during a legal dispute), and infringement costs;
- j) Interest on late payments;
- k) Suppliers' administration fees;
- l) Hospitality expenses (including alcohol, excluding travel per diems) ;
- m) Dividends, bonuses, and other extraordinary compensation for company shareholders or owners;
- n) Cash expenses over \$500;
- o) Cash expenses up to \$500 that are not supported by either a completed FACTOR-provided Receipt for Services form signed by the payee, or a detailed vendor receipt issued by the payee.

## Mid-Year and Completion Reports

**41.** As part of mid-year cash report and final completion reporting, recipients will be required to submit:

- a) A completion cashflow report provided by FACTOR, including a breakdown of all expenses per activity, by month against your planned investments.
- b) Expense documentation for all costs claimed on the cashflow report, including an invoice and eligible proof of payment for each expense. For detail regarding what FACTOR will accept as eligible proof of payment, please refer to [FACTOR's Expense Documentation Guide](#).
- c) Accepted proof of payment includes:
  - i. The back and front of cancelled cheques;
  - ii. Electronic and debit card payment: bank statement showing the name of the payee;
  - iii. Credit card payment: monthly statement showing the name of the payee;
  - iv. Automated accounts payable processing software (e.g. Plooto, Telpay, Quickbooks, etc): batch report indicating the date, transactions and batch total, along with the bank statement confirming the batch transaction;
  - v. Payroll service (e.g. ADP, Ceridian, Payworks, etc): payroll journal and summary, along with the bank statement confirming the transaction;
  - vi. Money order and postal order receipts, wire transfer and e-transfer receipts.
- d) A narrative report outlining any changes to the proposed activities and measurable successes from the proposed activities.

**42.** FACTOR reserves the right to audit recipient accounts and records to ensure compliance with the terms and conditions of the funding agreement. FACTOR and the Department of Canadian Heritage also conduct periodic program evaluations, during which recipients may be required to present documentation.

**43.** Applicants should retain all their invoices, receipts, and proofs of payment for seven years for FACTOR and Revenue Canada taxation purposes. Demonstrated failure to maintain such records may result in the repayment of amounts previously received.

**44.** You must credit FACTOR on all materials and events supported through this program, including tagging FACTOR using #FACTORfunded on social media. To ensure appropriate Logos and Acknowledgment on any assets you create with the funding, please refer to [FACTOR's Logo and Acknowledgment Guide](#). You must provide proof of your acknowledgment of FACTOR's funding as a part of your completion report.

**45.** Once submitted to FACTOR, the completion report will be deemed by FACTOR to be your true, accurate, and final accounting, and may not be unsubmitted, amended, or deleted.

## Glossary

G1. **2SLGBTQIA+:** A person who identifies as part of the 2SLGBTQIA+ community is someone who identifies as Two-Spirit, lesbian, gay, bisexual, transgender, queer and/or questioning, intersex, asexual or other.

G2. **Active Sound Recording:** A sound recording is considered by FACTOR to be Active when it has been released within two years prior to the first day of the current program year or will be released within six months of the first day of the following program year.

G3. **Canadian:** A citizen within the meaning of the *Citizenship Act* or a permanent resident of Canada within the meaning of the *Immigration and Refugee Protection Act*.

G4. **Canadian artist:** A citizen within the meaning of the *Citizenship Act* or a permanent resident of Canada within the meaning of the *Immigration and Refugee Protection Act*.  
The term “Artist” refers to an artist solo performer, a musical group or collective. In the case of music publishing activities, an “artist” refers to a songwriter or composer. A group or a musical collective is considered Canadian if at least 50% of its members including the lead singer are Canadians. In the case of an orchestra featuring no principal artist, the orchestra must be based in Canada.

G5. **Canadian-owned and controlled company:** A company

- that is a sole proprietorship, partnership, cooperative, or corporation established under the laws of Canada or a province or territory;
- whose activities are based primarily in Canada;
- whose company headquarters is based in Canada; and
- whose chairperson or presiding officer and at least 50 per cent plus one of whose executives, directors and other similar officers of its Board are Canadian or permanent residents within the meaning of the *Immigration and Refugee Protection Act* (hereinafter called “Canadians”). Any sub-group of the Board of Directors with decision-making powers (i.e. Executive Committees) that act on behalf of the Board must also consist of at least 50 per cent plus one Canadians. Companies employing employees located abroad must ensure that decision-making and control remain in Canada.

**Corporation with share capital:** Canadians beneficially own or control, other than by way of shares held only as security, directly or indirectly, in the aggregate at least 50 per cent plus one of all the issued and outstanding votes.

**Corporation without share capital:** Canadians beneficially own or control, directly or indirectly, interests representing in monetary value at least 50 per cent plus one of the total value of the assets.

**Partnership, trust or joint venture:** a Canadian or Canadian corporation or any combination of the two, beneficially own or control, directly or indirectly, interests representing in value at least 50 per cent plus one of the total value of the assets of the partnership, trust or joint venture, as the case may be, and at least 50 per cent plus one of the executives, directors, or other similar officers are Canadian.  
If at any time one or more persons that are not Canadian have any direct or indirect influence through a trust, an agreement, an arrangement or otherwise that, if exercised, would result in control in fact of the firm, the company is deemed not to be Canadian-owned-and-controlled.

G6. **Disability:** A person with a disability has any impairment whether permanent, temporary, or episodic in nature, or evident or not, that, in interaction with a barrier, hinders a person's full and equal participation in society.

G7. **Eligible Canadian sound recording:** To meet Canadian content requirements, any recording of an individual track (i.e. a song) or a collection of tracks (i.e. an EP or an album), must meet the following requirements:

- Be performed by a Canadian artist.
- Have at least 50% of the music and lyrics written by Canadians.
- Exception for music “repertoire”: The music and lyrics criterion does not apply to the repertoire of classical music, traditional jazz, world music, or traditional music. The sound recording must, however, be performed by Canadian artists.

G8. **Eligible Canadian content for touring and showcasing:** Activities related to touring and showcasing of eligible Canadian artists are eligible, provided they are central to the career development of the artist and meet the following requirements:

- Feature a Canadian artist that has released at least six eligible Canadian sound recordings (individual tracks or collection of tracks) no more than two years prior to the start of current program year, or plan to release within six months of the latest scheduled tour or showcase date.

G9. **Eligible Canadian musical works:** To meet Canadian content requirements, any musical work must meet the following requirements:

- Consist of any work of music or musical composition, with or without words, and includes any compilation thereof (ref. Copyright Act) that has been authored by a Canadian and registered to a Collective Rights Management Society.
- At least 50% of a musical work (i.e. music and lyrics or music only in case of an instrumental work) must have been written by Canadians.

G10. **Indigenous person:** An Indigenous person is a North American Indian or a member of a First Nation, a Métis, or an Inuit. North American Indians or members of First Nations include 'status', 'treaty' and 'registered' Indians, as well as non-status and non-registered Indians.

G11. **Official-Language Minority Community (OLMC):** Official-language minority communities are Francophone communities outside Quebec and Anglophone communities in Quebec. For the purpose of the program, a French-language artist will be considered for this definition if they live and pursue their career outside of Quebec; or, if they identify as belonging to a francophone community, but live and pursue their career outside of Quebec. For an English-language artist to meet the program's definition, they must have been born in Quebec, currently live in Quebec and meet the program's definition for "new" artist.

G12. **Racialized person:** The term "racialized" acknowledges that race is a social construct, and that racialization is a process through which groups come to be socially constructed as races, based on characteristics such as ethnicity, language, economics, religion, culture, politics. It can be applied to people and attributed to them as a group in ways that negatively impact their social, political, and economic life (e.g., Black, Asian, Muslim).

G13. **Reissue:** The re-release of an album that was previously made commercially available – i.e. anniversary release, deluxe album with additional bonus tracks, remastered editions.

## ARTIST ENTREPRENEUR – Program FAQs

### **Who is eligible for the Artist Entrepreneur program?**

This program is open to Canadian artists rated 3 who control their masters and are making significant investments in the activities related to the rights they control.

**I have reached FACTOR's artist lifetime funding maximum but have significant commercial activity developing in an overseas market which is a new territory for me. I'd like to take advantage of growing this business while audience demand is accelerating – but I need support to make that happen. Can I still apply?**  
Please contact the Artist Entrepreneur program administrator to discuss your specific situation.

### **What's the difference between owning and controlling rights as it applies to my eligibility in the Artist Entrepreneur program?**

Funding in the Artist Entrepreneur program may only be provided to the party that controls the rights related to the activity for which funding has been requested.

### **Do I need to be releasing a new album to apply?**

You must have an active sound recording to apply for any portion of Artist Entrepreneur funding. A recording is considered by FACTOR to be active when it has been released within two years prior to the first day of the current program year or will be released within six months of the first day of the following program year.

### **Can I use this funding to record outside of Canada?**

Eligible costs are those paid to Canadians and Canadian owned and controlled companies, for goods and services delivered in Canada. If you have a question about possible expenses occurring outside of Canada or with a non-Canadian vendor, please reach out to the program administrator.

### **Is video production/creation an eligible expense in this program?**

Yes. Traditional stand-alone music videos, content videos, animated banners etc. are eligible and considered part of marketing and promotion.

### **I am currently receiving FACTOR funding; can I still apply to the Artist Entrepreneur program?**

All FACTOR projects for which you are receiving funding must be completed and closed by March 31, 2025, in order to apply to the AE Program. If you have any questions, please speak to your FACTOR representative for further details.