



The Shield Score Online Streaming Tax

Sovereignty by Design

In April 2023, the Canadian Radio-Television and Telecommunications Commission was empowered by the Online Streaming Act to modernize the Canadian Broadcasting Framework and ensure that online streaming services make meaningful contributions to Canadian and Indigenous content.¹

In June 2024, after significant public consultation the CRTC released its modernization plan which imposed a requirement that all online streamers earning at least \$25 million in revenue in Canada contribute 5% of that revenue to certain funds that support the development of Canadian content.²

In November 2025, the CRTC announced its final definitions of what counts as Canadian content following a full year of consultations.³ To qualify as certified Canadian content a production must meet the following criteria:⁴

- The producer must be a Canadian and must act as a central decision-maker from the development stage until the production is ready for commercial exploitation.
- The production must earn a minimum number of points based on the key creative functions that are performed by Canadians including Director or Showrunner for example.
- At least 75% of the production's services costs must be paid to Canadians and at least 75% of the production's post-production and laboratory costs must be paid for services provided in Canada by Canadians or Canadian companies.
- The production cannot be an infomercial, advertisement or promotional or corporate videos.

This suite of policies receives a 9/10 on the SHIELD Score. The policy includes specific definitions of Canadian content, requires that the project be controlled and led by Canadian producers and other creatives, creates jobs and improves skills in the industry by requiring 75% of the value of the project costs be spent in Canada and includes some requirements that copyrights be held in Canada by Canadians.

The SHIELD Sovereignty Score

Sovereignty: This section measures if and how the policy choice increases Canada's sovereignty and strategic autonomy.

- **Does it use or incentivize the development of Canadian innovation?**

Yes - The policy supports and promotes Canadian content creation which involves the creation of new ideas and IP for Canadians. When we promote and support Canadian content we get truly innovative art the likes of which we have seen in internationally popular Canadian series like *Heated Rivalry*, *Kim's Convenience*, *Schitt's Creek*, *Trailer Park Boys* and *Letterkenny*. The focus on promoting community news and artists from underrepresented communities also ensures that there is a diverse and broad pool for this innovation.

- **Does it enhance national economic security and defence and/or promote interoperability or open standards?**

Yes - Culture and knowledge are intangible assets that are essential to national identity and cohesion. By promoting, funding and protecting Canadian content and IP the policy helps to ensure Canadian voices are heard and to prevent the dominance of foreign messaging in the media and information landscape not only to support and grow national culture, but also to preserve and promote the diverse and differing cultures within the Canadian national identity including Quebec, first nations, and other groups within Canada.

- **Does it reduce dependency on foreign firms or supply chains?**

Yes - Given that content creation is an essential element of the media supply chain, by promoting and supporting Canadian content development, and directing funding to independent production and local news the policy inherently increases Canadian activity in key elements of the supply chain from content creation to distribution. There is an important caveat that much of the funds will still be routed through foreign streaming platforms as Canadians will still need to access content through those platforms but on balance the policy leads to more activity in the Canadian supply chain.

- **Does it avoid entrenching monopolies and/or systems that concentrate power in private hands?**

No - Although the policy will compel foreign platforms to give preference to Canadian content and will ensure that the levied funds will be distributed to Canadian content creators, creating a net benefit for Canadians, the policy does not challenge the dominance of foreign platforms in the media space. Canadians will likely still be at the whim of (often monopolistic) streaming platforms and the policy does little to change this, though it may make Canadian content more prominent on those or other platforms.

- **Does it increase the ability for Canada to govern technology; for example, through IP ownership and data control by Canadian companies or the government itself?**

Yes - The policy provides funds directly to Canadian creators and media organizations to create new content, generating Canadian IP and meaning the underlying rights of the content are owned and meaningfully directed by Canadians. While the technology the creators and organizations use may still involve non-Canadian and more difficult to govern technologies or platforms, the policy makes more content and associated IP Canadian owned and governed. For example, one of the beneficiaries of the revenue, the Canada Media Fund, requires significant Canadian ownership of IP rights and Canadian executive, creative and financial control as a condition for the funding it awards.⁵

Economic Transformation: This section measures if and how the policy delivers value-add to people in Canada, short-term and long-term.

- **Is the intellectual property, data and profit generated by this decision retained by Canadian firms?**

No - In November 2025, the CRTC introduced a minimum copyright ownership condition that requires any copyright generated by a project have a minimum of 20% Canadian ownership to qualify as Canadian content.⁶ Some of the media funds supported through this policy also require certain conditions are met in order for content to qualify as Canadian. The Canadian Media Fund and the Indigenous Screen Office fund both explicitly include IP ownership requirements to qualify for funding.^{7,8} The ISO requires creators to obtain prior written consent to give up any ‘right, interest or property’ in the project. It is a good first step to add oversight to rights assignment but this still leaves room for IP to be sold. The CRTC should consider placing stricter obligations on the various funds in order to make IP requirements consistent and more conducive to capturing that value in Canada by Canadian content creators.

- **Does it create, sustain or improve jobs in Canada?**

Yes - The policy directly supports job creation in the news and creative audio/visual industry. The policy put mandatory position requirements in place as a condition of qualifying as Canadian content. Live action productions must have a Canadian director or screenwriter and lead performers. The revenue collected through this levy is diverted directly to a wide spectrum of Canadian culture creation funds that provide funding to Canadian content creators and for the production of Canadian content. When the streaming platforms decide to make the Canadian content themselves they must still follow the mandatory position requirements as well as other Canadian content requirements.

- **Does it increase skill utilization or broaden the skill base of Canadian workers?**

Yes - Jobs in design, film, digital media, television, news and radio are inherently skills intensive positions using a mix of digital tools, complex communication and storytelling and consumer research to know what works. The sector requires constant learning and upskilling as technologies and techniques advance. Many of the skills built in this sector

cross pollinate into other strategic sectors of the economy. The soft skills that are stretched and developed in the industry are some of the most coveted across industries as they are often not taught in professional engineering, business or finance programs.

- **Does it promote systems that share economic benefits broadly?**

Yes - The revenue raised by the policy is delivered across multiple funds supporting different aspects of the industry including: independent news, rural and community radio, funds that explicitly support black, indigenous and creators of colour, and underserved communities.

- **Does it enhance affordability, quality, and innovation for consumers; not just returns for incumbents?**

Yes - The policy is explicitly designed to provide funding to deliver quality information and content innovation to both Canadian-wide and hyper local markets. The policy will enhance production capacity and quality for Canadian content creators who, in turn, deliver enhanced material to Canadian content consumers. There is potential to grow the number of people who consume Canadian content as is evident by the success of numerous Canadian television shows including *Heated Rivalry*, *Kim's Convenience*, *Schitt's Creek*, *Letterkenny* and *Trailer Park Boys*. There is concern that online streamers will pass the cost on to Canadian consumers.⁹ It is true that many streamers increased prices after the implementation of the regulation but prices also went up in multiple jurisdictions, including the United States where no similar tax exists.^{10,11,12}

End Notes

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5. Canadian Media Fund. "INTERACTIVE DIGITAL MEDIA (IDM) CONTENT PROGRAMS CORE GUIDELINES 2025-2026" *Canadian Media Fund*, April 2025. <https://cmf-fmc.ca/document/idm-core-guidelines/>

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About SHIELD

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