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Not So Fast – CRTC Canadian Programming Expenditure Policy for Online Streaming Services Set for Review Immediately Following Announcement

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The Canadian broadcasting industry and online streaming market have experienced significant whiplash over the last few weeks. Mere days after the Canadian Radio-television and Telecommunications Commission (CRTC) released two significant policy decisions announcing further regulatory requirements on certain foreign online streaming services – including one particularly controversial decision that would subject those services to a 15% Canadian programming expenditure requirement – the Government of Canada has directed the CRTC to review and reconsider the policy decisions.

The release of the CRTC policy decisions and the near-immediate response from the federal government directing the CTRC to change course can be analogized to a "stutter step" in basketball: a half-step move performed by a player either with the embarrassing realization that he or she is off-balance or too distant from the rim on a layup and about to be penalized for traveling, or a brilliant move by a speeding dribbler intended to allow a defender to fly by and leaving the shooter an opening for a step-back three shot. Given the ambiguity of the government's latest direction to the CRTC, time will tell which of those outcomes this recent sequence of events will resemble.

The Backstory

As discussed in our previous Cassels Comment, on May 21, 2026, the CRTC released Broadcasting Regulatory Policies 2026-95 and 2026-96. Among other things, these new polices address the go-forward Canadian Programming Expenditure (CPE) framework anticipated by the CRTC and intended to increase support for Canadian and Indigenous creators and programming across both traditional and online broadcasting services. While these two policy decisions do not impose immediate obligations, they establish the policy direction for future regulations, conditions of service, and consultation processes that will further implement the objectives of Canada's modernized *Broadcasting Act.*

One requirement of this new CPE framework is intended to focus on the CPE expected of broadcasting ownership groups that operate "unaffiliated online undertakings" – defined as online undertakings whose operator, *regardless of national origin*, is not a licensee under Canada's *Broadcasting Act* or an affiliate of a licensee and that earned more than $25 million in Canadian broadcasting revenue during the previous

broadcasting year. In simplified language, this new “unaffiliated online undertakings” CPE requirement principally targets foreign streaming services. Those foreign streaming services, if they meet the $25 million annual Canadian revenue threshold, would be required to devote at least 15% of their online revenue from Canadian broadcasting activities to CPE. This new requirement marks a significant departure in how online undertakings have been regulated in Canada prior to 2024 and up from the base 5% CPE contribution requirement announced by the CRTC in 2024 and that remains under appeal.

Summary of Government’s Follow Along Announcement

However, on June 3, 2026, the Government of Canada directed the CRTC to review and reconsider the portions of the then just announced Broadcasting Regulatory Policies 2026-95 and 2026-96 requiring foreign streaming services and Canadian broadcasters to commit to CPE on Canadian programming. In support of that direction, the government cited the concern that the new CPE requirements might increase costs for industry sector participants and potentially lead to higher prices for consumers.

In the same June 3, 2026, announcement, the Government of Canada softened the blow of this reversal of position on CPE by committing $600 million per year in federal funding to support Canada’s audio and audiovisual sectors, with the goal of providing stability for creators, producers, and broadcasters while keeping cultural content accessible and affordable for Canadians. The government also stated its intention to develop new policy directions for implementing Canada’s *Online Streaming Act,* focusing on:

- Keeping streaming and broadcasting services affordable for Canadians;
- Protecting choice for consumers by protecting a healthy and diverse audio and audiovisual sector;
- Ensuring flexibility for both online streamers and Canadian broadcasters; and
- Continuing support for Canadian stories, local news, French-language content, Indigenous storytelling, equity-deserving groups, official language minority communities, and services such as CPAC, APTN and TV5/Units.

Key Insights & Takeaways

The release of CRTC Broadcasting Regulatory Policies 2026-95 and 2026-96, and specifically their CPE regulatory framework, has brought forth strong emotion, both for and against the concept of a streamer financial contribution. Foreign service providers assert that they already contribute significant sums to the Canadian broadcasting and production communities by choosing to produce audio and audiovisual content in Canada and that a regulatory CPE contribution is in effect a form of a digital or streaming media tax. On the other hand, many Canadian broadcasters and producers see CPE from foreign streamers as a positive policy step, as they perceive the need for additional funding towards Canadian content in order to effectively compete both domestically and as an export industry telling Canadian stories.

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Standby for CPE policy 2.0 – there may be a three-point play in the near future.

The Cassels Entertainment & Sports Group has been closely following the CRTC's updates to Canada's broadcasting system and has extensive experience assisting film, television and streaming industry participants in CRTC consultations and proceedings. If you have any questions about the content of this article or how these latest CRTC decisions may impact your business, please contact any member of our Group.

This publication is a general summary of the law. It does not replace legal advice tailored to your specific circumstances.