

Hitting Rewind for Streaming Services: Canada Confirms Plan to End Foreign Streamers' Base Contribution Requirement

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One of the most notable Canadian broadcast sector regulatory developments over the last several years may soon come to an abrupt conclusion. On July 17, 2026, the Canadian government confirmed – via a letter filed with the Federal Court of Appeal – that it intends to eliminate the base financial contribution requirement on foreign online streaming services that the Canadian Radio-television and Telecommunications Commission (CRTC) announced back in 2024. The elimination of the contribution requirement, which is expected to be formalized by way of an official direction to the CRTC in the coming weeks, is a sudden reversal of one of the CRTC's more controversial efforts to modernize its regulation of the Canadian broadcasting industry after the coming into force of the *Online Streaming Act* in 2023.

As discussed in a [previous Cassels Comment](#), the *Online Streaming Act* received royal assent in April 2023, providing Canada's *Broadcasting Act* with its most expansive refresh in over 30 years. One of the most important amendments made was to expand the classes of "broadcasting undertakings" subject to regulation to include a new class of "online undertakings," more commonly known as online streaming services. As a result, the CRTC is now charged with the regulation of online streaming services, including any regulatory payment or financial contribution obligations of those services, in addition to the CRTC's pre-existing regulatory power over traditional broadcasters.

In June 2024, just over a year after the CRTC's new regulatory powers came into effect, the CRTC [released a policy decision](#) in which it announced a requirement applicable to online streaming services with at least \$25 million in annual Canadian broadcasting revenue and mandating those online streaming services to contribute 5% of that revenue to various Canadian industry funds that support the production and promotion of Canadian film and television content. The policy decision was praised by Canadian content advocacy groups, who argued that it is fair to require foreign online streaming services that profit from operating in the Canadian media space to financially support that industry in return. However, the decision received backlash from large foreign online streaming services, who argue that they already make significant contributions to Canada's media industry by producing content in Canada and distributing Canadian content on their services, both domestically and outside of Canada.

Almost immediately after the base contribution requirement was announced, a wide range of large foreign streaming services and industry associations commenced an appeal and judicial review of the CRTC's

policy decision before the Federal Court of Appeal, challenging both the substantive reasonableness of the policy decision and the CRTC's jurisdiction to make it. The court heard that appeal and judicial review in June 2025 but has still not rendered a decision on it.

The proceeding took a sudden turn in June 2026, when the Canadian government [issued a statement](#) directing the CRTC to review and reconsider policy decisions the CRTC had just released a few days prior that would have imposed *additional* financial contribution requirements on streaming services. While not mentioned in the statement, the Canadian government was likely influenced in part by rising trade tensions with the United States government, which has previously expressed its disagreement with Canada's imposition of financial contribution requirements on streaming services.

Although the government's statement did not expressly refer to the June 2024 initial base contribution requirement, it prompted the Federal Court of Appeal to request an update from the Attorney General of Canada on the status of that policy. In response, the Attorney General filed a letter with the court stating that "the Government's intention is to eliminate the base contribution requirement on streaming services and to provide government funding to replace those contributions." As of the date of publication of this article, the court has not yet issued any directions or orders in response to the Attorney General's update, but it appears likely that the court will now seek submissions from the parties to the appeal and judicial review proceedings on whether or not the proceedings should be dismissed for being moot.

The Attorney General's July 17, 2026 update to the court did not contain any reference to the CRTC's more recent policy decisions imposing further financial contributions on streaming services. However, given that the Canadian government's June 2026 statement that prompted the Attorney General's update relates primarily to those newer decisions, one can likely assume that the Canadian government is at least contemplating also eliminating those further financial contribution requirements.

Since the elimination of the base contribution requirement has not yet been formalized by way of government direction, many questions remain regarding how this retraction (or any base contribution replacement) will actually work. That said, the fact that the Attorney General's update confirmed that the Canadian government intends to replace the contribution requirement with "government funding" suggests that the Canadian government continues to recognize the importance of financially supporting Canada's domestic film and television production and distribution sector, which the base contribution requirement was intended to address.

The Cassels [Entertainment & Sports Group](#) has been closely monitoring the implementation of the *Online Streaming Act* and will continue to provide updates as new developments arise. If you have any questions about the content of this article or how these latest developments may impact your business, please contact any member of our group.

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