

CULTURAL SOVEREIGNTY UNDER PRESSURE

PRIORITY ISSUES FOR
BUDGET 2026



Illustration : Atelier Mouette



Coalition
for the Diversity of
Cultural Expressions

About

The **Coalition for the Diversity of Cultural Expressions (CDCE)** works to represent the collective voice of Canada's cultural sector, while respecting the diversity of its members' realities and perspectives. It seeks to influence the development of structural policies that contribute to protecting and strengthening cultural sovereignty, building on the 2005 UNESCO Convention.

The Coalition brings together more than 50 organizations that collectively represent the interests of more than 350,000 creators and cultural professionals and 3,000 businesses in the book, film, television, new media, music, performing arts and visual arts sectors. It develops consensus-based positions on a range of issues affecting the economic health of the cultural sector, including the treatment of culture in trade agreements and the impact of the digital environment, with particular attention to ensuring that Canadian public policies actively protect and support cultural ecosystems.

From Words to Action: Following Through on the Government's Commitments to Culture

On August 22, the Government of Canada drew a clear line by walking away from the negotiating table with the United States. In his remarks, Prime Minister Mark Carney emphasized: “We were not prepared to compromise on our sovereignty, the protection of the French language and our culture.” The Coalition for the Diversity of Cultural Expressions (CDCE) welcomes this firm stance by the government.

This commitment to protecting culture and the French language in Canada's international relations must go hand in hand with strong domestic policies and with preserving the means necessary to implement them.

For this reason, the CDCE welcomes several recommendations contained in the House of Commons Standing Committee on Finance report in preparation for the 2026 budget. These recommendations align with many of the requests put forward by the CDCE in its submission to the federal pre-budget consultations last May, thereby reinforcing the priorities advanced by the cultural sector. The recommendations presented in this document are taken from the Standing Committee on Finance report and are reproduced here as they appear in that report. We have also added one priority recommendation from the CDCE that does not appear in the report.

At a time when ministerial responsibilities relating to creators and cultural businesses are more fragmented than ever across several portfolios, coherent and coordinated government action is necessary to ensure the effective implementation of cultural measures.

The CDCE therefore calls on **Prime Minister Mark Carney** and all ministers concerned to act on these recommendations in preparing the 2026 budget:

- **Marc Miller**, Minister of Canadian Identity and Culture and Minister responsible for Official Languages;
- **Mélanie Joly**, Minister of Industry and Minister responsible for Canada Economic Development for Quebec Regions;
- **Evan Solomon**, Minister of Artificial Intelligence and Digital Innovation and Minister responsible for the Federal Economic Development Agency for Southern Ontario;
- **Anita Anand**, Minister of Foreign Affairs;
- **Dominic LeBlanc**, Minister of Internal Trade and Minister responsible for Canada-U.S. Trade, Intergovernmental Affairs and One Canadian Economy;
- **Maninder Sidhu**, Minister of International Trade; and
- **François-Philippe Champagne**, Minister of Finance and National Revenue.

Preserving Our Ability to Legislate Domestically

Rely on a General Cultural Exemption Without Retaliatory Measures in All Our Trade Agreements

The general cultural exemption clause is a fundamental pillar of Canada's cultural sovereignty, ensuring that the government retains the policy space needed to design and implement policies and measures adapted to its linguistic, social and economic realities, including in the digital environment. In the context of the first joint review of CUSMA, and given the very real pressure being exerted by the U.S. administration on Canadian culture and the French language, maintaining this exemption is essential.

RECOMMENDATION

(as worded in the Standing Committee on Finance report)

1

As part of the CUSMA review and any other international agreement, **reaffirm and strengthen the cultural exception by ensuring that it fully protects cultural policies**, including in relation to digital platforms and artificial intelligence technologies, **and ensure that consultation mechanisms include a person capable of defending issues specific to artists and the cultural sector**, in order to preserve Canada's ability to adopt legislative, regulatory and budgetary measures in support of artists and creation.

Preserve and Strengthen Our Domestic Legislation

Preserving this policy space in our trade agreements is all the more essential because it allows Canada to equip itself with the tools needed to support its cultural ecosystem, which rests on two inseparable pillars: the discoverability of Canadian content and its financing.

In this respect, the *Online Streaming Act* is an essential tool for ensuring sustainable and predictable funding for Canadian creation by requiring foreign platforms to contribute in the same way as Canadian broadcasters. This approach is not unique to Canada: under a European directive, several European countries also impose financial obligations on video-on-demand services.

However, last June, the Canadian government asked the CRTC to reconsider its decision requiring foreign platforms to contribute to the financing of Canadian content. The CDCE welcomes the \$600 million in investments announced at the same time to address the cultural sector's urgent needs. The sector had long maintained that such support was necessary while awaiting the expected effects of the modernized Act.

In the long term, however, these funds cannot replace the structural and sustainable solutions provided for under the Act.

The CDCE also stresses the importance of preserving the CRTC's independence. Now that culture has been clearly identified as non-negotiable, the announced reversal can still be avoided.

RECOMMENDATION

(as worded in the Standing Committee on Finance report)

2

Uphold and strengthen the *Online Streaming Act* by requiring meaningful Canadian content spending obligations and exhibition requirements on streaming platforms, tied to robust definitions of Canadian content that prioritize Canadian talent.

RECOMMENDATION

(as worded in the Standing Committee on Finance report)

3

Preserve Canada's cultural sovereignty by **defending the *Online Streaming Act* when renegotiating CUSMA.**

Targeted Amendments to the Copyright Act

Introduce the Artist's Resale Right

Unlike their counterparts in more than 90 countries, Canadian visual artists are not compensated when their works are sold on the secondary market. The federal government has recently acknowledged the need to address this situation, expressing its intention on two occasions, in the 2024 Fall Economic Statement and in the November 2025 federal budget, to introduce an artist's resale right that would allow visual artists to receive a royalty when their works are resold. However, this measure has still not been implemented.

RECOMMENDATION

(as worded in the Standing Committee on Finance report):

4

Amend the *Copyright Act* as set out in Budget 2025 to adopt the Artist's Resale Right to benefit Canadian visual artists in the secondary art market.

Modernize the Private Copying Regime

Canada's private copying regime no longer reflects current practices. Limited to recordable CDs, media that are now almost obsolete, it no longer adequately compensates rights holders in the era of digital music consumption. The regime's lack of technological neutrality has resulted in a continuous erosion of royalties, unlike in several other countries where mechanisms adapted to contemporary devices and media are in place.

RECOMMENDATION

(as worded in the Standing Committee on Finance report)

5

Budget 2026 should also **amend the *Copyright Act* to modernize the private copying regime by making it technologically neutral and enabling the implementation of a modest, market-based \$3 per-device levy** to support creators while avoiding increased pressure on public spending.

Clarify Fair Dealing for Educational Purposes

Since “education” was added to the *Copyright Act* in 2012 as an allowable purpose under fair dealing, several educational institutions outside Quebec have adopted practices that favour the uncompensated reproduction of copyright-protected works. This situation has led to a significant decline in revenues for rights holders, particularly weakening the publishing sector.

In its 2022 budget, the Government of Canada committed to ensuring fair compensation and supporting the sustainability of the educational publishing industry. This measure remains outstanding. It is also a longstanding priority for the cultural sector and would come at no cost to the government.

This CDCE request does not appear in the Standing Committee on Finance report. The CDCE nevertheless urges the government to take it into account in preparing the 2026 budget.

RECOMMENDATION

(of the CDCE)

6

Amend the *Copyright Act* to **clarify fair dealing for educational purposes.**

Ensuring Respect for ART Principles in the Development of AI

The *Copyright Act* grants rights holders exclusive rights that apply regardless of the technology used. At present, however, generative AI systems rely extensively on the use of copyright-protected content without adequate mechanisms for authorization, remuneration or transparency for rights holders. It is therefore essential that any regulatory framework for AI guarantee respect for these principles.

The CDCE calls on the government to implement a strategy for the development of sovereign Canadian AI based on the principles of authorization, remuneration and transparency (ART).

RECOMMENDATION

(as worded in the Standing Committee on Finance report)

7

Ensure that artificial intelligence (AI) developers obtain permission and provide compensation for the use of copyright-protected works in training data, **reject any new or expanded copyright exceptions for text and data mining, and require transparent disclosure and record-keeping of training sources** to support a functioning licensing market.

The Arts and Culture Sector: Key Figures for Canada in 2024

2%
OF GDP

1,128,000
JOB



8%
GROWTH OVER
THE PAST
THREE YEARS

\$65
BILLION
IN VALUE
ADDED



75%

OF CANADIANS BELIEVE THAT ATTENDING
ARTS AND CULTURE EVENTS POSITIVELY
IMPACTS THEIR SENSE OF BELONGING IN
CANADA.



Source : Business / Arts & Business Data Lab (BDL). Artworks: The Economic and Social Dividends from Canada's Arts and Culture Sector. Ottawa, October 2025