

Livres Canada Books

Foreign Rights Marketing Assistance Program (FRMAP)

2019-2020 Guidelines

Deadline for receipt of applications: April 1, 2019

Livres Canada Books administers the Foreign Rights Marketing Assistance Program (FRMAP), a portion of the Canada Book Fund for the Department of Canadian Heritage. It allocates financial assistance directly to Canadian-owned and -controlled book publishers.

In administering FRMAP, the objective of Livres Canada Books is to develop and sustain Canadian publishers' export sales.

➡ **Arrows indicate additions or modifications.**

Application Forms are available at www.livrescanadabooks.com/frmap

FRMAP Guidelines

1. General Information
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1. General Information

General Criteria

Applicants must comply with and meet all definitions and conditions listed in these Guidelines.

Conditions of Participation

Eligibility for funding in 2019-2020 under the Livres Canada Books assistance program is conditional upon the applicant having satisfactorily fulfilled all conditions and requirements in force according to the terms of contributions the company has received from Livres Canada Books and the Canada Book Fund in previous years and the applicant having fulfilled all contractual obligations with respect to author royalty payments.

Livres Canada Books' Program Operating Principle

All Livres Canada Books' programs and activities operate on the principle of cost-sharing with participating publishers.

Activity Period

Financial assistance under these programs is designated exclusively for export and international marketing activities to be completed by eligible companies between April 1, 2019 and March 31, 2020.

Application Procedure

1. Applicants must complete Part A, B and C of the application form and all required forms pertaining to the programs for which an application is submitted. We also request a breakdown of your digital export sales, as much as possible.
2. Only those applicants who do not have an online catalogue must provide the company's most recent catalogue.

3. Applicants with sales of eligible Canadian-authored books according to Canada Book Fund equal to or greater than \$3 million (Application Form – Part B, Line 4) during the reference year, including any distribution fee adjustment, must provide audited financial statements for the company’s most recent financial period. Applicants with sales of Canadian-authored titles below \$3 million must provide at minimum a review engagement report. Compilation engagements (or notice to reader) and internal statements are not accepted.

The audited financial statements or review engagement report should not be more than 12 months old.

4. For the confirmation of eligible export sales, the applicant must include in the application either:
 - a. a signed statement by an independent public accountant on the accountant’s official letterhead confirming the level of their eligible export sales (Application Form – Part B, Line 3) for their most recently completed financial period (sample statements available on our [website](#)). The audited financial statements or review engagement report and the statement by an independent public accountant on eligible export sales must refer to the same financial period.
OR
 - b. audited financial statements or a review engagement report including the eligible export sales.
5. For the confirmation of royalty payments, the applicant must include in the application a signed statement by an independent public accountant on the accountant’s official letterhead confirming the applicant has fulfilled all contractual obligations with respect to author royalty payments or any other method of paying authors for their most recently completed financial period. Alternatively, the royalty certification can be presented as a note in the audited/reviewed financial statements rather than as a separate letter.
6. If the applicant has submitted an application to the Support for Publishers component of the Canada Book Fund in 2019-2020, the applicant must provide financial documents to Livres Canada Books from the same reference year.

As is the case for Canada Book Fund, Livres Canada Books nonetheless reserves the right to require audited financial statements from publishers with fewer than \$3 million in sales of eligible Canadian-authored books, should it feel individual cases warrant such a level of assurance. Such publishers will be advised of this requirement in a timely manner. Livres Canada Books may also increase the number of recipient audits per year.

In reviewing applications for FRMAP, Livres Canada Books will consult documents provided by applicants to Livres Canada Books and to the Canada Book Fund to verify required information and documents.

NOTE: Applications cannot be processed until all information and required documents are complete.

Appeal

Applicants may appeal FRMAP decisions in writing to the Chair of Livres Canada Books. Appeals must be received no later than thirty (30) calendar days after the date the decision of Livres Canada Books was communicated to the applicant.

Appeals will be entertained by the Appeals Committee only when there is clear and unmistakable evidence of procedural improprieties and/or errors made by the Livres Canada Books Secretariat in processing the application.

Audit

Livres Canada Books reserves the right to conduct an audit of any company funded under FRMAP, including random audits. If a material difference exists between the recipient’s report and that of Livres Canada Books’ auditor and the contribution must be adjusted, 50% of the cost of the audit will be borne by the recipient. The decision on the selection of firms to be audited is made randomly. Notwithstanding such random selection, the Programs Manager in consultation with the Executive Director may select for audit a firm or firms whose financial data, reports or other material contain questionable or inconsistent information.

For Further Information

Any applicant with questions on Livres Canada Books' application procedure should contact us as soon as possible so we can provide an answer before the deadline of April 1, 2019.

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2. Definitions

The following definitions apply to the eligibility criteria of Livres Canada Books' programs.

For any other definitions, visit the [Canada Book Fund](http://CanadaBookFund) website of the Department of Canadian Heritage.

Canadian

1. a citizen within the meaning of the *Citizenship Act* who is ordinarily resident in Canada;
2. a permanent resident within the meaning of the *Immigration and Refugee Protection Act*;
3. a Canadian corporation or
4. a non-profit organization in which 75% of its members are persons referred to in paragraphs (1) or (2);
5. a partnership, trust or joint venture in which a person or any combination of persons referred in paragraphs (1), (2), (3), or (4) beneficially owns or controls, directly or indirectly, interests representing in value at least 75% of the total value of the assets of the partnership, trust or joint venture, as the case may be.

Note: Only sections (1) and (2) above apply to the definition of an author.

Canadian-owned and -controlled firm

A firm:

1. that is a sole proprietorship, partnership, cooperative or a corporation (for profit or not for profit) established under the laws of Canada or a province;
2. whose activities are based primarily in Canada;
3. whose chairperson or presiding officer and at least 75% of whose directors and other similar officers are Canadian citizens or permanent residents within the meaning of the *Immigration and Refugee Protection Act*;
4. if a corporation with share capital, of which Canadians beneficially own or control, other than by way of shares held only as security, directly or indirectly, in the aggregate at least 75% of all the issued and outstanding voting shares representing at least 75% of the paid-up capital;
5. if a corporation without share capital, of which Canadians beneficially own or control, directly or indirectly, interests representing in value at least 75% of the total value of the assets.

If at any time one or more persons that are not described in any of paragraphs (1) to (5) of the definition 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 publishing firm, the firm is deemed not to be Canadian-owned.

Co-publishing

Joint financial investment by two or more publishers to conceive, produce and print, under their respective imprints, individual titles or collections to be sold in their respective markets. Provided all other eligibility criteria are satisfied, co-published books are eligible, but applicants may claim as eligible sales only their portion of the total revenue. The partner publisher of the applicant may be foreign-owned.

Co-publishing may also include situations in which an applicant sells rights to an own eligible title to foreign publishers and coordinates production of the books. The applicant's revenues associated with such arrangements may be considered eligible export sales.

Eligible Books

A book that is:

- either written by a Canadian author or adapted or translated by a Canadian;
- at least 48 pages in length for a printed book, except for children's books, which can be less than 48 pages;
- at least 15,000 words in length for a digital new title (i.e., not published in print or another physical format), except for digital children's books, digital editions of eligible printed books and certain educational books like math textbooks, which can be less than 15,000 words;
- clearly and publicly attributed to the author(s) and/or translator(s);
- the publisher's own title;
- bearing an ISBN assigned to or acquired by the publisher (exceptions may apply in the case of international co-publication);
- published under the publisher's imprint or under an imprint for which it has acquired publishing, management and marketing rights; and
- printed or manufactured in Canada, except for co-published books or books with an acceptable justification.

Notes on authorship

- The author or translator is always the person to whom the book is publicly attributed. The name of the author(s) or translator(s) must appear on the outside of the cover, the spine, the title page or the copyright page.
- A book with multiple authors is considered Canadian-authored if at least one of the co-authors is Canadian.
- A collective work (e.g., an anthology) is considered Canadian-authored if at least 50% of the contributors are Canadian.
- If less than 50% of the contributors to a collective work are Canadian, the editor of the work can be considered the author if the book is clearly and publicly attributed to the editor and he or she has written a substantive preface, introduction, afterword, or conclusion to the book. The work of an editor in overseeing and guiding a book to publication is not considered authorship.
- For children's picture books only, an illustrator is considered an author.

Eligible Export Sales

Eligible export sales constitute the total of the following:

- revenue from the sale of eligible titles net of trade discounts and credits for returns and allowances;
- revenue from the sale of rights and permissions of eligible books;
- amounts withheld by distributors for the sale of eligible titles. If the amount withheld by distributors is not already included in net sales, this amount may be added. The adjustment is for distribution fees only and must not include trade discounts.

Independent Public Accountant

A professional designated as a Chartered Professional Accountant (CPA) operating at arm's length from the applicant and from the firm or individual who maintains the applicant's financial records and statements. Applicants that wish to have their application documents prepared by an accountant holding a different designation should contact Livres Canada Books in advance.

3. Foreign Rights Marketing Assistance Program (FRMAP)

Objective

The objective of this program is to foster Canadian publishers' export sales by providing funding support for export sales trips and participation in international trade events.

Eligibility Criteria

To be eligible for FRMAP, the applicant must have been a confirmed recipient of one of the following federal programs:

- Support for Publishers program of the Canada Book Fund in 2018-2019
- Supporting Artistic Practice: Literary Publishers 2018, Canada Council for the Arts

The applicant's eligibility status must remain valid in 2019-2020.

Applicants must comply with and meet all definitions and conditions listed in these Guidelines (see sections 1 and 2).

Eligible Events

International Trade Events

An International Trade Event is understood to mean a foreign trade event at which the possibility exists for the participating company to sell rights or finished products or to negotiate distribution agreements (e.g., book fairs, trade shows, specialized book-related conventions, etc.).

Export Sales Trips

An Export Sales Trip is understood to mean a trip to an export market not connected to participation in an International Trade Event (see above) for the purpose of supporting distribution and making rights sales for eligible titles (e.g., sales conferences, scouting missions, etc.).

Number of Events, Trips, and Delegates per Company

A company's export sales level will determine the number of eligible events, delegates per international trade event and per export sales trip, and the maximum total number of delegates for all eligible events, according to the following table.

Export Sales Level	Maximum number of eligible events (including Export Sales Trips)	Maximum number of delegates per International Trade Event	Maximum number of delegates per Export Sales Trip	Maximum total number of delegates
0 – \$99,999	6	2	2	6
\$100,000 – \$349,999	7	2	2	11
\$350,000 – \$499,999	8	2	2	12
\$500,000 +	9	2	2	14

Companies of Affiliated Groups

FRMAP contributions allocated, individually or collectively, to a company and its affiliates may not exceed the maximum number of events or trips allocated to a single publisher.

Combination of International Trade Events and Export Sales Trips

It is possible to combine international trade events and export sales trips, in accordance with the eligible expenses under “International Trade Events” and “Export Sales Trips.”

Funding

- Funded events and trips must take place between April 1, 2019 and March 31, 2020. FRMAP assistance is provided on a cost-sharing basis.
- There is no obligation for the eligible publisher to be an exhibitor at an international trade event to receive a contribution.
- An eligible publisher may designate a delegate who is not a permanent employee of the company.
- An eligible publisher who sends two (2) delegates to an international trade event will receive a contribution for the entire amount of the first delegate’s eligible expenses, and 75% of the second delegates’ eligible expenses.
- Contributions for international trade events and export sales trips are as follows:
 - Up to 50% of a basic return economy fare (including taxes and service charges on transportation tickets, with the exception of the GST, PST, HST and VAT) up to a total contribution maximum of \$1,500 (including all other modes of transport) or based on a predetermined average, for the following events:
 - Bologna Children’s Book Fair
 - Frankfurt Book Fair
 - Guadalajara Book Fair
 - London Book Fair
 - Salon du livre de Paris

MAY INCLUDE

- Up to 50% of a mid-size rental vehicle for international travel (including gas for the rental vehicle, taxes and service charges, with the exception of the GST, PST, HST and VAT) up to a total contribution maximum of \$1,500 (including all other modes of transport). Please note that a rental vehicle for international travel can only be claimed for one delegate. Furthermore, a rental vehicle for international travel will be reimbursed pro rata based on the number of eligible days of the event.
- Up to 50% of \$0.55/km of international travel by the delegate’s personal vehicle up to a total contribution maximum of \$1,500 (including all other modes of transport). Please note that mileage can only be claimed for one delegate.
- If a delegate must travel more than 100 kilometres within Canada to their point of departure abroad, a contribution of 50% of \$0.53/km will be allocated.
- For international trade events and export sales trips, a travel allowance of \$225 for days of attendance at an event (\$250 for the Frankfurt Book Fair, the London Book Fair and the Salon du livre de Paris only) or for days spent on an export sales trip, up to a maximum of:
 - four (4) days for all trips and events except the Frankfurt Book Fair
 - five (5) days for the Frankfurt Book Fair
- The travel allowance contributes towards other eligible expenses (accommodation, local transportation and other fees associated with your presence at the eligible event) excluding meals.
- Travel allowance will be calculated based on the number of nights spent at the eligible event (with the submission of an accommodation receipt).
- In the event of shared accommodations (e.g. hotel or apartment), if the accommodation receipt submitted by the first delegate exceeds \$225 per night (\$250 for the Frankfurt Book Fair, the London Book Fair and the Salon du livre de Paris only) excluding of the GST, PST, HST and VAT, the eligible expenses for the second delegate will be determined at a minimum of \$50 and up to a maximum of \$225 (\$250 for the Frankfurt Book Fair, the London Book Fair and the Salon du livre de Paris only). Please note that, as mentioned above, the total contribution for the second delegate, equals 75% of her/his eligible expenses.

- If a delegate stays in non-commercial accommodations, they may claim a maximum travel allowance of \$50 per night spent at the eligible event (with the submission of a written communication attesting to the number of nights spent at the accommodation).
- Travel allowance contributions are not allocated for travel days.
- Companies may claim a travel allowance for the days before or after an international trade event, provided that the total travel allowance requested does not exceed the maximum number of eligible days for an event.

Sunset Clause

After three (3) years of consecutive funding under the program, in order to remain eligible for FRMAP, a company must have achieved one of the following:

1. \$10,000 in net export sales of eligible titles in its last completed financial period;
OR
2. an average of \$10,000 in net export sales of eligible titles over the company's last three (3) most recently completed financial periods.

After three (3) years of consecutive funding under FRMAP, a company that does not meet one of the two conditions stipulated in the Sunset Clause will be eligible for a contribution for only one (1) international trade event during the fourth year. However, the recipient will first have to consult with an industry professional in order to submit to Livres Canada Books an action plan after this consultation (stating the firm's objectives, anticipated results, etc.). The industry professional and action plan need to be approved by Livres Canada Books. After the Sunset Clause has been applied, the company will be readmitted into the program for the fifth year at the eligible number of events for its export sales level.

FRMAP Application Form

All applicants must complete the application form (Parts A, B, and C) and provide all the required documents and information.

Applicants who plan to participate at events that are not listed among the pre-approved events (list available on our website at www.livrescanadabooks.com/frmap) must complete an International Trade Event Description form (Part D) for each international trade event.

Applicants who plan to undertake export sales trips must complete an Export Sales Trip Description form (Part E) for each trip.

Assistance to Publishers Associations

National Publishers Associations

At the discretion of Livres Canada Books, associations will be invited to send one (1) delegate to act as permanent staff at the information booth on the Canada Stand. This delegate must be a full-time staff member of the association's secretariat. Associations may be eligible for reimbursement of 100% of the delegate's return economy fare (including taxes and service charges on transportation tickets, with the exception of the GST, HST, PST and VAT) up to a maximum of \$1,500 or based on a predetermined average and a travel allowance of \$225/day (\$250/day for the Frankfurt Book Fair, the London Book Fair and the Salon du livre de Paris only). The number of eligible days is to be determined by Livres Canada Books.

In the case of a demonstrated need at a particular event and the availability of funding from other sources, the Association of Canadian Publishers (ACP) and the Association nationale des éditeurs de livres (ANEL) will be entitled to receive a contribution for a maximum of two (2) delegates per event as permanent staff at their collective trade exhibits abroad, up to a maximum total of fourteen (14) delegates in 2019-2020.



All other national publishers associations, such as the Literary Press Group (LPG) and the Regroupement des éditeurs franco-canadiens (REFC) will be entitled to receive a contribution for a maximum of two (2) delegates per event as permanent staff at their collective trade exhibits abroad, up to a maximum total of five (5) delegates in 2019-2020.

Provincial Publishers Associations

Provincial associations organizing a collective stand at international events will be eligible for funding for one (1) delegate/one (1) event at the same level of funding as is available to a publishing house; i.e., up to 50% of the delegate's return economy fare (including taxes and service charges on transportation tickets, with the exception of the GST, HST, PST and VAT) up to a maximum of \$1,500 or based on a predetermined average and a travel allowance of \$225/day for up to four (4) days of attendance at an event or five (5) days for the Frankfurt Book Fair (\$250/day for the Frankfurt Book Fair, the London Book Fair and the Salon du livre de Paris only).

FRMAP Claim Procedure

In order to claim a contribution for an international trade event or an export sales trip, an applicant must submit:

- a completed FRMAP Claim Form
- transportation and accommodation receipts or a written communication attesting to the number of nights spent in non-commercial accommodations
- a completed Activity Report is required for all International Trade Events and Export Sales Trips

We consider your claim to be submitted on time if the printed and signed version of the claim form and all required documents are sent to Livres Canada Books by mail or courier, and are postmarked no later than thirty (30) calendar days after the event or export sales trip for which the claim is made. In the event where the claim is sent by email or facsimile, it must be received by Livres Canada Books no later than thirty (30) calendar days after the event or export sales trip for which the claim is made.

Any claim submitted to Livres Canada Books after the event has taken place and which has not been pre-approved by Livres Canada Books, even if the event is listed on the pre-approved events, will not be eligible for a FRMAP contribution.

When submitting a FRMAP claim, publishers must complete all sections of the form, including the transportation section, and provide supporting documents showing fares.

When the plane ticket does not indicate the airfare, recipients must submit another supporting document confirming the airfare (an airline/travel agent invoice or receipt). Printed confirmations of online bookings stating the fare price are also eligible. Credit card account statements will not be considered as supporting documents for transportation. Only actual paid expenses are eligible. Tickets obtained through barter or reward points (Air Miles, Aeroplan, etc.) cannot be factored into the contribution.

A delegate must provide original accommodation receipts as proof of the duration of his/her stay in the city where the eligible event takes place. Receipts bearing the date and location for event registration, parking, local transportation, and meal costs are no longer examples of eligible supporting documents for the calculation of the travel allowance. If a delegate stays in non-commercial accommodations, they may submit a written communication attesting to the number of nights spent at the accommodation. Unofficial or handmade receipts and internal documents (e.g., money requisitions or internal expense reports) are not eligible as supporting documents.

Payment Schedule and Reporting Requirements

A contribution agreement and a list of events that have been approved by Livres Canada Books will be sent to all eligible applicants, along with forms for FRMAP claims and activity reports.

When it has received its contribution for 2019-2020 from the Department of Canadian Heritage, Livres Canada Books will disburse FRMAP contributions to eligible applicants who have submitted a signed contribution agreement and duly completed claims and supporting documents (see the FRMAP Claim Procedure section above).

Surplus Redistribution

In the event of a surplus under FRMAP at the end of the fiscal year, this surplus will be redistributed to program recipients on a prorated basis, according to claims received in 2019-2020.