

Act respecting support for the publication of books in Icelandic

2018 No 130 20 December

Entry into force 1 January 2019.

Any reference in this Act to “the Minister” or “the Ministry” not accompanied by express mention of or reference to a specific field of responsibility shall be understood as being a reference to the **Minister of Education, Science and Culture** or to the **Ministry of Education, Science and Culture** as responsible for the implementation of this Act.

Section I Purpose and scope

■ Article 1 *Purpose*

The purpose of this Act is to support the publication of books in Icelandic by providing temporary financial aid to publishers in the form of a partial reimbursement of costs incurred in the publication of books in Icelandic.

■ Article 2 *Scope*

This Act applies to the partial reimbursement of costs incurred in the publication of books in Icelandic where that publication occurs within the European Economic Area, in a state member of the Convention establishing the European Free Trade Association, or in the Faroe Islands.

The Directorate of Education is exempted from the provisions of this Act, see Directorate of Education Act, No 91/2015. By the same account, any book publisher wholly or partially owned by central government, by a local authority, or by an institution or company wholly in their ownership is exempted from the provisions of this Act.

■ Article 3 *Definitions*

For the purpose of this Act:

1. ‘*Book*’ means a written work or series of written works comprising at least eight pages which are sewn or otherwise joined together to form a spine. The term ‘book’ also covers audio recordings of the reading of such works. The term ‘book’ furthermore covers optical disks and other media containing the text of books, as well as digital editions of such works;

2. ‘*Book publisher*’ means an individual, group or legal person financially responsible for the publication of a book;

3. ‘*Eligible expenses*’ means any costs which may be used as the basis of the calculation of reimbursement, as defined in Article 6.

4. ‘*Publication and public availability of a book*’ refers to the fact that a book is considered to have been published and made publicly available when it has been assigned an International Standard Book Number by the National and University Library of Iceland; recorded in the Union Catalogue of Icelandic Libraries – Gegnir, or in a comparable catalogue in another country; and offered for sale, lending or rent to the public.

Section II Application procedure, etc.

■ Article 4 Applications

Applications for a reimbursement pursuant to this Act must be sent to the Committee for Support for the Publication of Books in Icelandic, see the second paragraph. An application must be received no later than nine months after the publication of the book concerned.

A Committee for Support for the Publication of Books in Icelandic is to be appointed by the Minister. One member is to be appointed each by the minister responsible for government finances and the minister responsible for industry and innovation, and one member, who shall serve as Chair, is to be appointed by the Minister without nomination. Alternate members are to be appointed in the same manner.

When evaluating applications for support for the publication of books in Icelandic, the Committee may seek expert opinions on whether the criteria set out in Article 5 are met.

Administrative tasks to be carried out pursuant to this Act may be entrusted by the Minister to a competent person or entity.

■ Article 5 Criteria for the reimbursement of expenses

To obtain the partial reimbursement of costs incurred in the publication of a book, as detailed in Article 8, the following criteria must be met:

a. The published book must be in Icelandic.

b. The applicant must be registered as a party subject to value added tax pursuant to Article 5 of the Value Added Tax Act, No 50/1988, under code 58.11.0 Book publishing according to the classification of economic activities published by Statistics Iceland. Foreign applicants must provide evidence of similar registration of their activities in another country.

c. Eligible expenses incurred in the publication of the book and for which the applicant requests support must amount to at least ISK 1 million. Lower thresholds for books published on digital media and for certain classes of books may be laid down in a Regulation.

d. The applicant must keep itemised accounts of all expenses underlying the request for reimbursement, in accordance with the Accounting Act and the Act on annual accounts.

e. The applicant must not be in arrears to any public entity. The applicant's debt position toward public entities must be documented.

f. The applicant must provide confirmation of payments to authors or rightholders.

Costs incurred in the publication of a book intended primarily as a means of promoting a particular product or service do not qualify as eligible expenses under this Act.

Section III Reimbursement

■ Article 6 Eligible expenses

The following costs incurred by a book publisher are considered eligible expenses, provided that they qualify as deductible operational expenses pursuant to the Income Tax Act, No 90/2003:

a. Direct labour costs incurred in the publication of a book.

b. Direct contractor payments incurred in the publication of a book.

c. Fees and royalties paid to the author or rightholder.

d. Printing costs and other similar costs related to publication in a form other than print.

e. Translation and proofreading costs.

f. Advertising and promotional costs incurred for a book in the four months immediately following its publication.

g. Own labour, see Article 7.

■ Article 7 Own labour

In cases where the publisher and the author are the same person, the salary received personally by that author-publisher may be used as the basis of the calculation of eligible expenses, see Article 6, in place of the costs referred to in Article 6, item c. The amount of any such personal salary must be decided with reference to the amount of the monthly artists' salary as fixed in Article 4, first paragraph, of the Artists' Salaries Act, No 57/2009.

■ Article 8 *Reimbursement*

- The amount to be reimbursed is fixed at 25 per cent of the expenses incurred in the publication of the book in question, as defined in Article 6.
- Where an application is considered by the Committee for Support for the Publication of Books in Icelandic to meet the criteria for receiving reimbursement, the Committee is to decide on the amount to be reimbursed; in the opposite case the application is to be rejected.
- Applications for reimbursement that are received more than nine months after the publication of the book concerned are to be rejected. However, an application received after this deadline may be considered if there are properly justified reasons for the delay. The Committee is to decide in each case what should be considered 'properly justified reasons' in this context.
- Where the applicant is a company, its board or director must certify that all costs have been declared in compliance with the provisions of this Act and those of the relevant Regulation, see Article 11. In the case of applications for a reimbursement in excess of ISK 12 million, all costs declared in accordance with Article 5, first paragraph, item d, must also be certified by an accountant, an examiner or a certified bookkeeper.
- For the purpose of verifying a declaration of costs within the meaning of Article 5, first paragraph, item d, or any evidence of other expenses incurred by the applicant, the Committee may request the submission of relevant information, such as the applicant's value-added tax returns or accounting records.
- Where the declaration of costs and/or its supporting documentation are considered to be inadequate, the Committee is to give the applicant a deadline by which to submit adequate information. If adequate information is not received by the Committee by that deadline, or if the submitted material indicates that costs have not been declared in accordance with the provisions of this Act, the request for reimbursement is to be rejected.
- Where the reimbursement received by an applicant is revealed to have been too high, whether the reasons for this are attributable to the applicant, to a public authority or to any other person or entity, the Committee for Support for the Publication of Books in Icelandic may take action to review its original decision. In its treatment of such cases the Committee must gather all necessary information and afford each party an opportunity to object before reaching a decision. Where a reviewed decision leads to the reduction of eligible expenses for which reimbursement has already taken place, the applicant must repay the surplus amount within ten days of being notified of the decision. The possibility to review a decision pursuant to this provision ceases to apply four years after the date of the original decision by the Committee for Support for the Publication of Books in Icelandic.

Section IV Complaints procedures

■ Article 9 *Complaints*

- Decisions made by the Committee for Support for the Publication of Books in Icelandic pursuant to Article 4 or Article 8 are subject to appeal to the Ministry in accordance with Article 26, first paragraph, of the Administrative Procedures Act.
- Decisions by the Committee for Support for the Publication of Books in Icelandic regarding eligible costs pursuant to Article 6 and regarding the amount to be reimbursed, as well as decisions determining whether the publication costs have been adequately documented, are subject to appeal to the Internal Revenue Board.
- The time limit for lodging a complaint pursuant to the first or second paragraphs is 30 days and runs from the date of the decision by the Committee for Support for the Publication of Books in Icelandic.

Section V Miscellaneous provisions

■ Article 10 *Other financial support*

The amount that qualifies as eligible expenses pursuant to Article 6 will be reduced by the amount of any financial support awarded to an applicant by public entities for the publication of the same book.

The combined amount of any financial support awarded as referred to in the first paragraph and the reimbursement paid pursuant to Article 8 must not exceed 50 per cent of such costs incurred in the publication of the same book as have been deemed eligible expenses.

■ Article 11 *Regulation*

Provisions on the implementation of this Act are to be laid down in a Regulation issued by the Minister. The Regulation should include provisions on: the implementation of financial support provided pursuant to this Act; the Minister's authority to postpone such reimbursements as may exceed the appropriations made by the Althing in the relevant year; further criteria for receiving compensation, including, where appropriate, more detailed definitions of the terms referred to in Article 3 and of eligible costs as referred to in Article 5, first paragraph, item c, and Article 6; itemised accounts as referred to in Article 5, first paragraph, item d; applications; the processing of applications; and decisions to grant support.

■ Article 12 *Entry into force, etc.*

This Act enters into force on 1 January 2019 and is to be revised no later than on 31 December 2023.

Only books published and made publicly available after the date of entry into force of this Act will be eligible for the partial reimbursement of costs incurred in the publication of books in Icelandic.

At the order of the Minister, a review of the effectiveness of this support for the publication of books in Icelandic is to take place before the end of 2022.