



Only the specific costs covered in the PEMD legal agreement can be claimed. Receipts must be provided for all travel and other activities. When full airfare is provided, only the original carrier's (airline) tickets (not a photocopy) are acceptable as a receipt. For incoming visits, original proof of payment and photocopies of the tickets are acceptable if the original cannot be obtained. All receipts become the property of the Crown and will not be returned. In exceptional cases, where the passenger coupon of the airline ticket cannot be produced, an affidavit may be required.

If the company cannot provide bills or receipts for per diem expenses being claimed outside Canada, satisfactory evidence must be provided for the number of days that are eligible for the per diem allowance (project bidding and special activities.)

Interim or progress claims may be processed for the following activities: project bidding, establishing permanent sales offices abroad, marketing agreements and special activities.

If requested, companies must provide financial statements prepared by a certified accountant, attesting that expenses claimed were actually incurred and are accurate and reasonable.

## Amendments

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Any change or revision to the scope of the activity or to the approved estimate of costs must be requested in writing prior to the change taking effect or the costs being incurred.

## Reporting Requirements

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Recipients of PEMD assistance **must provide a revenue/sales report at the end of the activity period, and every year thereafter for three years, unless otherwise specified.** These four reports are used to assess the success of the activity, and are also helpful in evaluating the success of the program.

Revenue/sales reports are required for all activities, even if your business did not make export sales or win a project bid. **In such cases, a NIL report is required.**

In the case of establishing permanent sales offices abroad, marketing agreements and special activities, a status report is also required at the end of each year of the activity period.

## Audits

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All expenditures claimed under PEMD during the lifetime of the legal agreement are subject to a random or detailed specific audit, at the discretion of the government. Reported export sales may also be audited. Both successful and unsuccessful activities may be audited.

## Repayment

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Each legal agreement contains a repayment clause that stipulates the terms under which the applicant will repay the Crown.

Repayment is based on any revenue/sales made, or on any contract entered into, as reported on the revenue/sales reports.

The rate of repayment for trade fairs, visits, establishing permanent sales offices abroad and marketing agreements is 2 percent of gross incremental sales for each reportable year. Companies may repay more than 2 percent up to the amount of the PEMD contribution on sales made in the market area covered by the agreement.

For project bidding, repayment is to be made in two installments: the first installment within two months after the company receives its first payment on the contract obtained from the client; the second within two months of receipt of the second payment, but not later than the end of the reporting period.

If PEMD assistance is provided more than once to the same applicant for activities in the same market area, the reportable sales in that market area must be reported for each of the PEMD projects and repayment made accordingly.

Recipients of PEMD funds that do not comply with the reporting requirements, or that are in repayment default, may be invoiced or otherwise be subject to recovery action for the total amount outstanding.