



Artist to  
Business to Business  
to Consumer  
Audio Branding System

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## D7.1 Report on Collecting Schemes Europe

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**ABC\_DJ - Artist-to-Business-to-Business-to-Consumer Audio Branding System**

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## History

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|         |                              |            |   |
|         |                              |            |   |

## Glossary

| <b>Acronym/Abbreviation</b> | <b>Full Name/Description</b>   |
|-----------------------------|--|
| ABC_DJ                      | Artist-to-Business-to-Business-to-Consumer audio branding system   |
| CC                          | Creative Commons   |
| CMO                         | Collective Management Organization   |
| Copyleft                    | A strategic approach to ensure that the public retains the freedom to use, modify, extend and redistribute a work (Copyleft) |
| IP                          | Intellectual Property  |

## Executive Summary

This document is the second of two dealing with the legal regulation and the management of the Intellectual Property (IP) rights involved in audio branding processes and is complemented by document D7.2.

There are no reports or compendia dealing with the management of IP rights from the point of view of audio branding. Thus, we have conducted surveys among the Collective Management Organizations (CMOs) with competences in in-store music, with the objective to clarify the rights management process.

The current document compiles details on how CMOs collect tariffs, identify owners and distribute the revenues originated by the usage of musical works in audio branding processes.

We carried out a survey among 91 CMOs in the Europe; however, in spite of in spite of great and long-lasting (16 months) efforts by our side, in the end just 34 were willing to answer our questionnaire. The information we gathered points to a lack of communication and coordination between CMOs both at European and local levels. Answers to very simple questions that should have borne a resemblance to each other, have in fact turned out to be diverse and contradictory. We find that this places users and music providers at a disadvantage and it does not help to improve the in-store music field. Monitoring of usage is deficient and the remuneration to right holders through COMs is not accurate.

However, there are some good news too, as some CMOs are moving forward in several countries in order to develop innovative solutions. For instance, some are sharing collecting bodies in order to simplify payments; this is known as a “one-stop shop”. In the case of mechanicals rights, at least one CMO has signed a deal with a background music provider that covers all European countries, which could turn out be a very useful model for other providers in the future.

This document constitutes a starting point for the upcoming deliverable D7.5, in which we will devise suggestions to ease the administrative process and will try to lobby with producer’s associations and CMOs within Europe.

# 1. Introduction

When thinking about an in-store music system, we are faced with several actors who will have obligations on one hand, and rights and benefits on the other, in terms of rights and their management thereof.

When someone sets up a shop, a bar or any kind of business open to the public in which they wish to use music to liven up the atmosphere, they eventually are going to have to think about how to obtain the most adequate music for their establishment.

Owners of smaller premises commonly turn to “domestic” solutions, which, mostly out of ignorance, do not respect the legal environment, such as the use of a private Spotify account, which terms do not allow for communication to the public. Other establishments look for professional methods: providers who offer to their clients the most adequate musical repertoire, for which service said providers charge a certain fee.

The provider of background music services must be in possession of the corresponding licenses from the rights holders and/or collecting societies to store the songs to supply their clients with. However, what is often forgotten is that the establishment is obliged to pay the CMOs for the communication to the public of that musical repertoire as well.

Why does this happen? While there are some cases where it is simply a lack of interest in finding out about the user's obligations, it is also true that being clear on all the legal implications and the complete set of rights is complicated, even for experts in the field. Add to that the fact that collecting societies have not been diligent or efficient enough when it comes to inform about the usefulness of said rights and their final objective, which is the defence of the creators, and, finally, the cultural sector.

In light of disinformation, doubts and confusion that exist in these processes, this document's aim has always been to obtain the biggest possible amount of information from the CMOs, and to do a comparative analysis of the management processes and the characteristics thereof carried out by them in each EU country.

Therefore, we have tried to clarify the context each entity operates in; which rights they manage; which data are used for the calculation of the tariffs; and how frequently users are charged and members are paid, among other questions we believe are important to get the complete picture of rights management in the in-store music processes.

To this end, we have carried an analysis of the current situation, compiling information from all European CMOs managing rights related to music supply and its subsequent communication in publicly accessible establishments. And we have conducted an inquiry among said entities in order to be able to outline the current landscape regarding the management of background-and in-store music in the EU.

## 2. Workflow

We will give a brief explanation of the actors and management and other rights-related processes involved in an in-store music system.

Firstly, there is the background and in-store music service *provider*, who supplies music to brands, businesses, establishments and so forth by sending it to them via CD, hard drive, streaming, or cable. These brands or establishments are *clients* of the provider, and both are *users* of the music repertoire in their own way, as we will see now.

Secondly, as explained in D.7.2., there are several rights holders: the authors of the works, the artists who perform them, and the phonographic producers who own the recordings of said works.

The rights holders of a song own a series of rights over it, and is entitled to financial compensation by the user thereof. The rights involved in in-store music are both *mechanical* rights and *performing* rights.

Lastly, there are the collective management organisations. The CMOs manage their members' rights and collect the money generated by the use of their repertoire on their behalf.

Where does the provider obtain the music? From several sources, including phonographic producers, artists, digital aggregators, PR agencies, and so on.

The copy of that music that the provider makes in their database for posterior supply to their clients, constitutes an act of reproduction, which in its turn triggers the mechanical rights held by the music's rights holders, who then must be remunerated for it.

What should the provider do in order to legally supplying the music to their client, when it comes to copyright and related rights? They should turn to the CMOs in the country or countries where their activities take place and ask for permission to use their repertoire for reproduction.

They could also use music not managed by any CMO, either because the rights holders prefer to manage their rights themselves, i.e., because they are using Creative Commons (CC) licenses; or because they publish their works under Copyleft (for more information, please take a look at D.2.3 and D.7.2 and also check publications of the “Audio Commons Initiative” whose partners analyse in detail all issues related to CC applications).

It should be pointed out that some providers using these types of works advertise that their clients do not need to pay any tariffs to any collecting society. This is false, as the equitable remuneration rights should also be taken into account in several countries, and, as they are unavailable and inalienable by their rights holders (artists and phonographic producers), have to be paid by their users at all times (for more information, see D.7.2).

What about the establishment? As soon as a client of an in-store music service receives the music and plays it in their establishment, an act of communication to the public is carried out, triggering the public performance right of the music's rights holders, who also have to be remunerated for it.

What does the client have to do for the music to be played legally in their

establishment, when it comes to copyright and related rights? Like the provider, they have to turn to the corresponding CMO to get authorisation for the communication to the public of their repertoire.

An average user, without knowledge of the way these processes work, might not think about the three rights holders of the songs playing in their establishment, or about whether they are entitled to a remuneration for the song's use and that, in turn, those rights are managed by entities that will turn to them to claim payment of their tariffs.

In both cases, for both provider and establishment, the authorisations are formalised through licenses provided by the CMOs, which allow for the use of their repertoire in the name of the rights holders. They are therefore obliged to pay the corresponding tariffs.

In a minority of cases, the in-store music service provider also offers their clients the option to manage public performance rights on their behalf. However, this is not common practice. Usually each party formalises the licenses and pays the tariffs independently.

In general, IP laws impose certain conditions to these licenses, normally related to their duration and their purpose thereof.

One can ask oneself why the entity CMO is necessary. Well, for a matter like in-store music, which involves a considerable amount of music usage that is hard to control by their rights holders, collective management is vital, and therefore the intervention of these entities in order to protect the works, identify their use and, finally, settle the corresponding remunerations.

Once we are clear on who the actors are, we will see how the money flows, from the instant the users pay until the moment the rights holders receive their remuneration.

The users (providers and establishments) pay the corresponding tariffs to the CMOs. Of all the money collected, a certain percentage is spent on the entity's administration costs, while the rest is shared among the rights holders according to the distribution systems established by each entity.

Both the basis for the calculation of the tariffs and the prices vary from one CMO to the other, as we will see further on. While most of them use similar criteria, they are not harmonised across the EU.

The identification of the works for their posterior payment is another subject of this study. CMOs have several ways to monitor which songs have been used, as we will see later. The payment to the rights holders can be based on real use, and other times certain criteria apply, and distributions are based on surveys of other uses, such as market shares or airplay on commercial radio stations, to pay for uses that are more complicated to monitor, as is the case with in-store music.

As we are seeing, the different rights involved in in-store music are dealt with through collective management (i.e. the exercise of copyright and neighbouring rights by entities acting in representation of grouped rights holders and in defence of their interests). And at this point we ask ourselves: is this joint management mandatory, i.e. does the law demand the collection of rights to be collective? As shown in D.7.2, it does in some countries and for

certain kinds of rights, but the way this is carried out in practice is an issue we set out to clarify in the current document.

After that question follows the next: what happens to the works licensed under CC or Copyleft? Do the CMOs' tariffs include absolutely every musical use or do they only consider their members' repertoire? And, if the first option is the case, what happens with collected money which is not claimed by anyone?

These are some of the questions we have asked ourselves when facing the task of bringing clarity to the full process of managing the use of musical works in an in-store music context.

## 3. Methodology

### 3.1 Scope



|   |   |   |
|---|---|---|
| <p><b>LATVIA</b></p> <ul style="list-style-type: none"> <li><b>AKKA-LAA</b><br/>COPYRIGHT AND COMMUNICATION CONSULTING AGENCY</li> <li><b>NCB</b><br/>NORDISK COPYRIGHT BUREAU</li> <li><b>LAIPA</b><br/>PHONOGRAM PRODUCERS, ARTISTS</li> </ul> <p><b>LITHUANIA</b></p> <ul style="list-style-type: none"> <li><b>LATGA</b><br/>LIETUVOS AUTORIŲ TEISŲ GYNYMO ASOCIACIJOS AGENTŪRA</li> <li><b>NCB</b><br/>NORDISK COPYRIGHT BUREAU</li> <li><b>AGATA</b><br/>LITHUANIAN NEIGHBOURING RIGHTS ASSOCIATION</li> </ul> <p><b>LUXEMBOURG</b></p> <ul style="list-style-type: none"> <li><b>SACEM LUXEMBOURG</b></li> </ul> <p><b>MALTA</b></p> <ul style="list-style-type: none"> <li><b>KOPJAMALT</b><br/>COPYRIGHT LICENSING AGENCY</li> <li><b>PRS</b><br/>FOR MUSIC PERFORMING RIGHTS SOCIETY</li> </ul> <p><b>NETHERLANDS</b></p> <ul style="list-style-type: none"> <li><b>SENA</b><br/>FOUNDATION FOR THE EXPLOITATION OF NEIGHBOURING RIGHTS</li> <li><b>BUMA</b><br/>HET BUREAU VOOR MUZIEKARTISTENRECHT</li> <li><b>STEMRA</b><br/>STICHTING TOT EXPLOITATIE VAN MECHANISCHE</li> <li><b>STICHTING (NORMA-artist)</b><br/>NEIGHBOURING RIGHTS ORGANIZATION FOR MUSICIANS AND ACTORS</li> </ul> | <p><b>POLAND</b></p> <ul style="list-style-type: none"> <li><b>SAWP</b><br/>STOWARZYSZENIE ARTYSTÓW WYKONAWCÓW UTWORÓW MUZYCZNYCH I SŁOWNO-MUZYCZNYCH</li> <li><b>STOART</b><br/>ZWIĄZEK ARTYSTÓW WYKONAWCÓW</li> <li><b>ZPAV</b><br/>ZWIĄZEK PRODUCENTÓW AUDIO VIDEO</li> <li><b>ZAiKS</b><br/>STOWARZYSZENIE AUTORÓW</li> </ul> <p><b>PORTUGAL</b></p> <ul style="list-style-type: none"> <li><b>Pass Musica (GDA y AUDIOGEST)</b><br/>SERVIÇO DE LICENCIAMENTO CONJUNTO DA AUDIOGEST E GDA</li> <li><b>SPA</b><br/>SOCIEDADE PORTUGUESA DE AUTORES</li> </ul> <p><b>ROMANIA</b></p> <ul style="list-style-type: none"> <li><b>CREDIDAM</b><br/>THE ROMANIAN CENTER FOR PERFORMERS' RIGHTS MANAGEMENT</li> <li><b>UPFR</b><br/>UNIUNEA PRODUCATORILOR DE FONOGRAME DIN ROMANIA</li> <li><b>UCMR-ADA</b><br/>ROMANIAN MUSICAL PERFORMING AND MECHANICAL RIGHTS SOCIETY</li> </ul> <p><b>SLOVAKIA</b></p> <ul style="list-style-type: none"> <li><b>OZIS</b><br/>PROTECTIVE ASSOCIATION OF PERFORMERS OF SLOVAKIA</li> <li><b>SLOVGRAM</b><br/>SLOVAK ARTISTS' COLLECTING SOCIETY</li> <li><b>SOZA</b><br/>SLOVENSKÝ OCHRANŔNÝ ZVÄZ AUTORSKÝ - SLOVAK SOCIETY OF AUTHORS</li> </ul> | <p><b>SLOVENIA</b></p> <ul style="list-style-type: none"> <li><b>ZAVOD IPF</b><br/>COLLECTING SOCIETY OF AUTHORS, PERFORMERS AND FILM PRODUCERS OF AUDIOVISUAL WORKS OF SLOVENIA</li> <li><b>SAZAS (DSS)</b><br/>ZDruženje skladateljev, avtorjev in založnikov za zaščito avtorskih pravic SLOVENIJE - THE SOCIETY OF COMPOSERS, AUTHORS AND PUBLISHERS OF SLOVENIA</li> </ul> <p><b>SPAIN</b></p> <ul style="list-style-type: none"> <li><b>AGEDI</b><br/>ASOCIACIÓN DE GESTIÓN DE DERECHOS INTELECTUALES</li> <li><b>AIE</b><br/>ARTISTAS INTERPRETES O EJECUTANTES</li> <li><b>SGAE</b><br/>SOCIEDAD DE GESTIÓN DE AUTORES Y EDITORES</li> </ul> <p><b>SWEDEN</b></p> <ul style="list-style-type: none"> <li><b>SAMI</b><br/>SVENSKA ARTISTERS OCH MUSIKERS INTRESSEORGANISATION</li> <li><b>NCB</b><br/>NORDISK COPYRIGHT BUREAU</li> <li><b>STIM</b><br/>SVENSKA TONGÄTTARENS INTERNATIONELLA MUSIKBYRÅ</li> </ul> <p><b>UNITED KINGDOM</b></p> <ul style="list-style-type: none"> <li><b>PPL</b><br/>PHONOGRAPHIC PERFORMANCE LIMITED</li> <li><b>MCPS</b><br/>MECHANICAL COPYRIGHTS PROTECTION SOCIETY</li> <li><b>PRS for music</b><br/>PERFORMING RIGHTS SOCIETY</li> <li><b>CELAS</b><br/>PROVIDE A ONE-STOP-SHOP FOR PAN-EUROPEAN LICENSING</li> <li><b>CCLI</b><br/>CHRISTIAN COPYRIGHT LICENSING INTERNATIONAL</li> </ul> |
|---|---|---|

There are 91 CMOs in the European Union dedicated to the management of rights involved in the processes of in-store music, among other areas.

In general, there is an entity for each group of rights holders (authors, artists, and phonographic producers) in each country. In some cases, the same entity handles the rights of several types of rights holders (e.g. artists and producers together). In other cases, there is one entity dedicated exclusively to mechanical rights, independent from the ones that manage public performance rights.

### 3.2 Fieldwork

In order to have a general vision and be able to do a comparative analysis of rights management in in-store music within the EU, Lovemonk have carried out a study of the CMOs with competences in in-store music, with the objective to clarify the rights management process.

The research task began in February 2016, with a documentation work to locate the CMOs of each of the EU countries with competences in the management of rights involved in the in-store music processes, for each one of the rights (mechanicals and public performance) and for each of the three rights holders (authors, artists and producers).

At first, we looked for as much information as possible on their respective websites – especially concerning tariffs and licenses for the use of repertoire for in-store music. We found many CMOs websites offered little information on the subject, and/or were not translated into English. Hence, we decided to change our approach and went on to plan the survey differently.

After this first phase, and with the first draft of a survey designed, Lovemonk met with the Spanish organisations AGEDI and AIE (it was not possible to get together with SGAE), in order to get answers first-hand, and to identify possible errors or aspects that might have not been taken into account.

In April 2016 Lovemonk started to contact the European CMOs via email, providing them with information about ABC\_DJ and inviting them to respond to an attached questionnaire (in PDF format) and share with us information regarding their processes of managing the rights involved in the background music.

Given the less than overwhelming response to our request by the end of summer (a response rate of less than 8%), we decided to change our modus operandi and turn our survey into an online questionnaire (in Google Forms format) which would be easier and quicker to respond to, in the hopes of thus obtaining a higher number of positive replies.

By September 2016 every CMO had received an invitation including a link to the survey, and additional information about ABC\_DJ (see Annex I). It took many reminders and phone calls over the course of many months to get the number of answers we have now – a total of 34 out of 91 CMOs. All results and most findings in this report, are based on a total of these thirty-four replies.

### 3.3 Structure

The survey (see Annex II) consists of 21 questions, divided into four sections.

Firstly, it was important to know which is the territorial scope of the authorisations for the use of the repertoire granted by the CMOs, and if there is any kind of deal or “one-stop shop” that allows for centralised management of the licenses and the payment of the tariffs in several countries.

The second and third sections, dedicated to mechanical rights and performing rights, respectively, address questions about:

- Tariff Calculation Criteria
- Collecting
- Distribution
- Collection and payment terms
- Administrative costs

The fourth section addresses:

- Mandatory collective management

- Creative Commons
- Terms of expiration of assigned and unidentified or unclaimed amounts

The time necessary to fill out the questionnaire is approximately 5-10 minutes, depending on whether the entity manages mechanical, performing rights or both.

### 3.4 Challenges

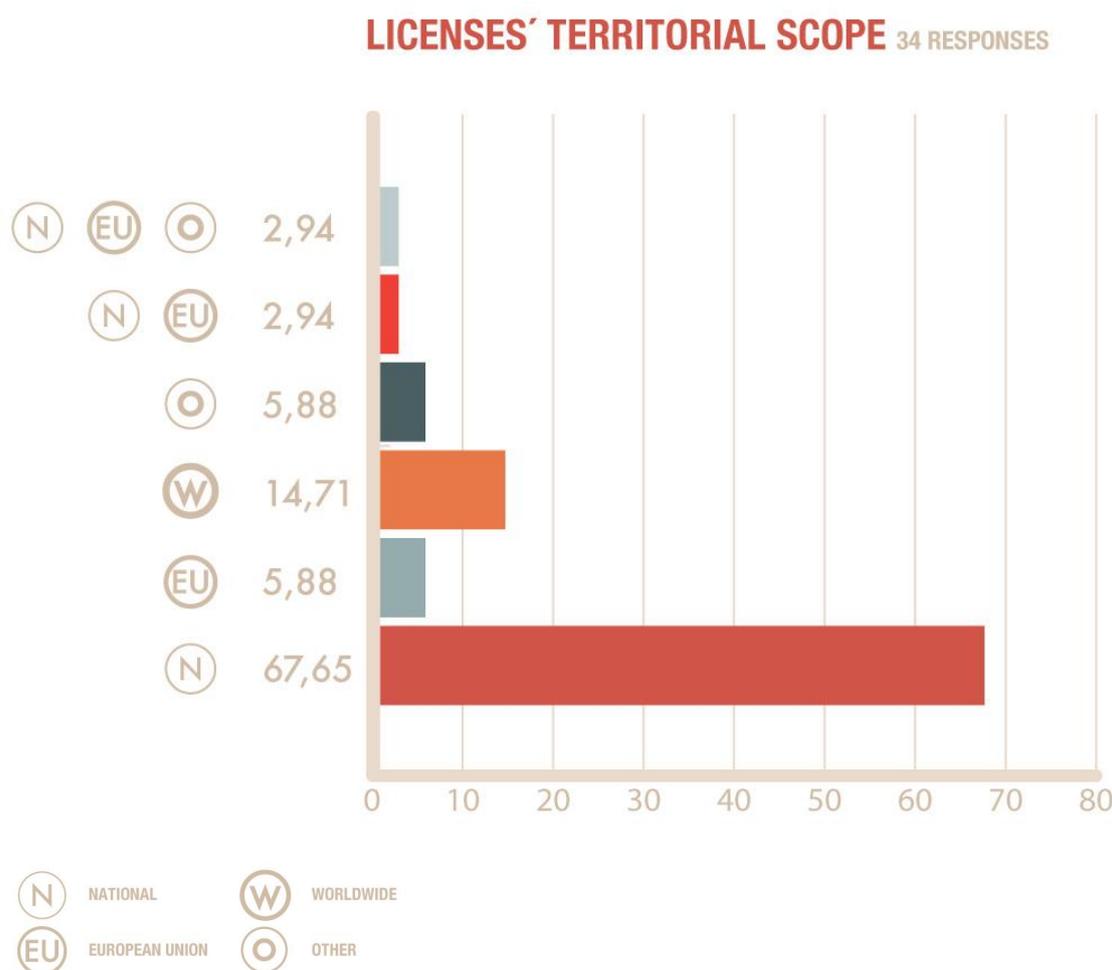
One of the first problems we stumbled upon when writing this D.7.1. was the language barrier. Of the 91 CMOs we analysed, 15% do not have any information in English on their webpages. Others do have parts of their websites in English, but only have documentation regarding tariffs and licenses in their own language. Just 23% of the EU entities have complete information available in English.

However, the biggest problem has been, without a doubt, many CMOs' attitude. Their replies included that they had no interest whatsoever in answering; that the information we were requesting was confidential; that they were too occupied to reply; that we should check their websites; and, since said websites are not available in English, to use Google Translate.

## 4. General Analysis

Below we make a general analysis of the results we obtained from the surveys filled out by the CMOs. For more detailed information regarding each country, please refer to the chapter 5.

### 4.1 Licensing



\*Q.1 What is the territorial scope of your licenses?

According to the Berne Convention, foreign authors must enjoy the same rights and be treated in the same way as nationals. To follow this principle, most CMOs work under reciprocal representation agreements. This is the case of most authors and artists organisations, whilst those of producers of phonograms tend to have fewer or none agreements of this kind. In practice, it means each entity can administer foreign repertoires in its territory and then exchange information and distribute royalties to foreign rights holders through their local CMOs. In this regard, their management scope towards their members is global.

But when it comes to their licensing scope towards users, the situation is different. When we think of an in-store music service provider acting on a

European level, or a brand with establishments in several different countries, we ask ourselves which CMO they have to turn to. The one in the country where their headquarters are located? The one where their fiscal residence is? Or the CMOs in each country they have branches in or where they operate?

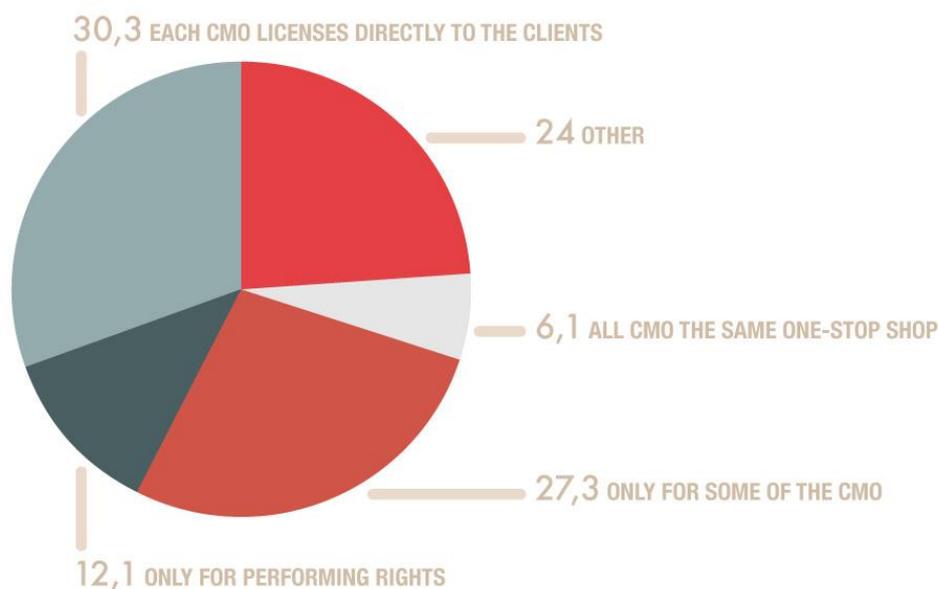
There is a lack of consensus on this point. It depends on whether we are dealing with mechanical or public performance rights, and with the different rights holders.

In Europe, mechanical rights can be partly centralised in one sole society, while maintaining the payments to the producers through their local entities. This is an exception, and the general practice is to pay each local CMO directly.

However, payments for public performance in commercial establishments are always done locally, per country, much like a radio or TV station. This is because the public performance right is generated where the act of communication takes place.

In response to the question about the territorial scope of their licenses, EFÜ (Estonia), LAIPA (Latvia), SAWP (Poland), CREDIDAM (Romania), and SAMI (Sweden) establish their territory as global, surprisingly enough, perhaps as a misinterpretation of the question.

### ONE-STOP SHOP 33 RESPONSES



\*Q.2 Is there any agreement/one-stop shop in place among the collecting societies in your country or area to license and collect fees?

Centralised or one-stop shop systems are coalitions of several CMOs that offer centralised services and provide faster and more efficient authorisations to repertoire users. It means that there will be one single licensing entity licensing rights on behalf of groups of CMOs and their rights holders.

However, the current directives do not regulate multi-territorial licensing or

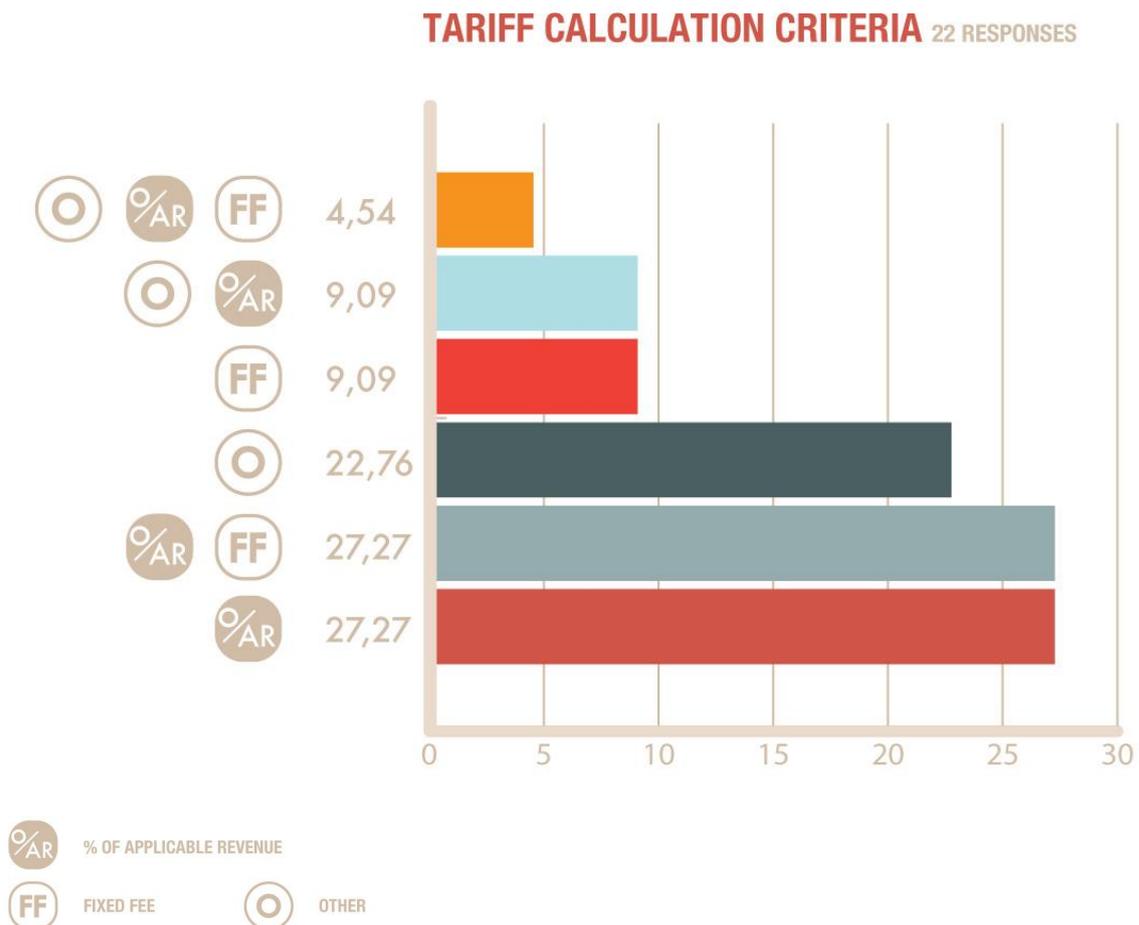
one-stop shops for any other uses than digital. So, in practice, mechanical and public performance rights are therefore still mainly dealt with locally through direct licensing of each CMO to their clients.

In cases where agreements between entities or some kind of one-stop shop exist, they only work on a national level, in order to improve procedures between copyright entities on one hand, and phonographic producers and artists on the other. This is the case for public performance licensing in France, Spain, Hungary, Germany, Greece, Estonia, and Croatia, where one CMO – most commonly the one that manages copyrights – collects on behalf of all the CMOs in that country and then distributes to each of them the corresponding quantities according to the percentages agreed upon.

In some cases, there are one-stop shops that only collect performing or mechanical rights, and in others both. E.g., SAMI (Sweden), SOZA and SLOVGRAM (Slovakia), GDA (Portugal), and MUSICAUTOR (Bulgaria) manage performing rights collectively.

## 4.2 Tariffs

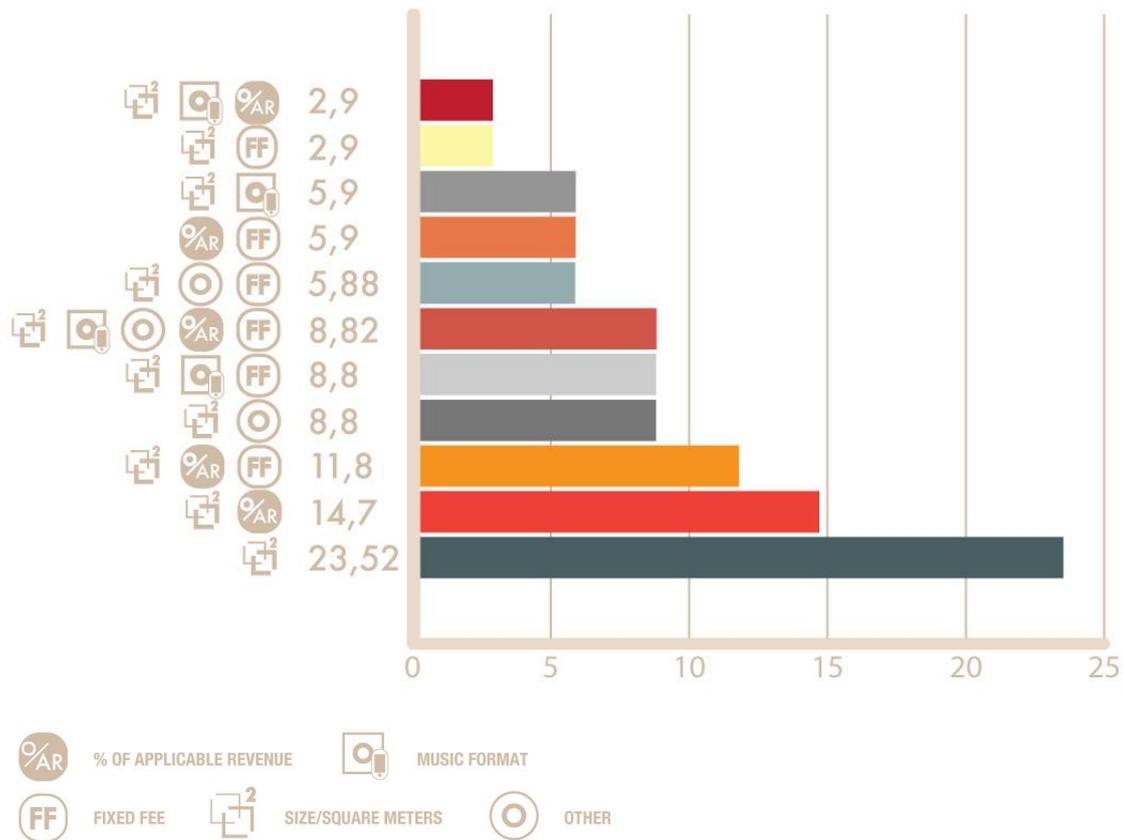
### Mechanical Rights



\*Q.3 On which basis are your tariffs calculated?

Performing Rights

TARIFF CALCULATION CRITERIA 34 RESPONSES



Q.9 On which basis are your tariffs calculated?

One of the most relevant questions is which criteria use the CMOs to charge the users one amount or the other?

In the case of the tariffs for mechanical rights, paid by the music provider, the basis for calculation used by most of the CMOs who replied to our survey is the application of a percentage over the provider's revenue, or the combination of this percentage with a fixed fee.

MUSICAUTOR (Bulgaria) establishes a fixed fee based on the number of reproduced works, which is perhaps a more realistic way to calculate the fee, since the service provider is paying for the act of making copies of such works.

However, in general practice a percentage is applied over the revenue the provider earns from the fees their clients pay them, as it is understood that that use of the music generates benefit for the provider, which must be partly returned or reverted.

While SAZAS (Slovenia) uses volume and kind of use as a basis, ARTISJUS (Hungary) uses the amount of works in a provider's catalogue as a basis for the calculation of their tariffs.

With performing rights, the tariffs charged to the establishments are based mainly on the size of the premise thereof (in square meters), or a combination of this and a percentage of the establishment's revenue.

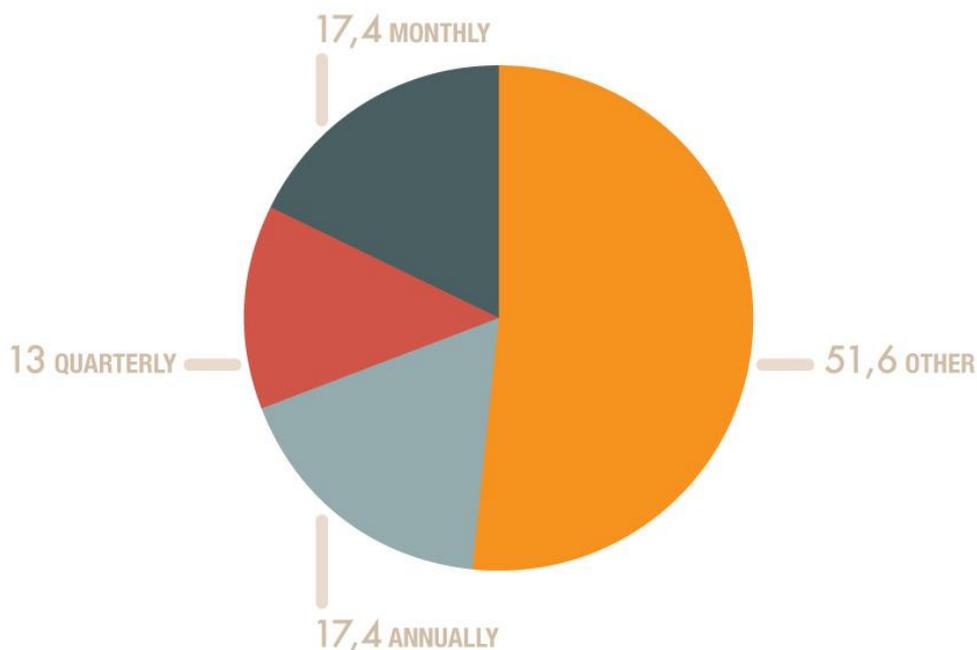
In fact, two CMOs of those who responded to the questionnaire do not use this basis for their calculations: INTERGRAM (Czech Republic), which applies a percentage of the revenue plus a fixed tariff; and SCPP (France), which applies a percentage to the establishment's revenue, combining it with a fixed fee.

Surprisingly, EJI (Hungary), apart from the establishment's size, also takes into account the hours it is open to the public – the longer the repertoire is used, the higher the tariff. CREDIDAM (Romania) also looks at the establishment's size, but makes a distinction based on whether the establishment is located in a city or in a small town or village.

### 4.3 Billing

#### Mechanical Rights

#### FREQUENCY OF BILLING TO THE USERS 23 RESPONSES



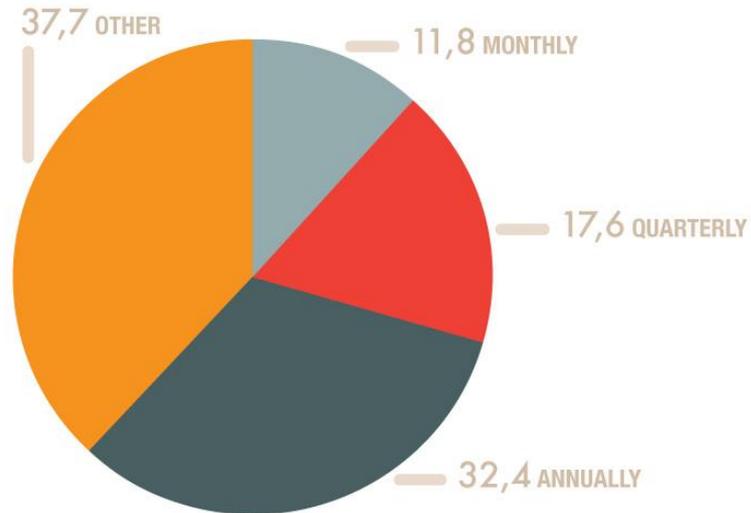
\*Q.4 What is the frequency of billing to the users?

Both mechanical and performing rights are charged in rather different ways, depending on the CMO. The general practice is a periodic billing: some do it annually, others twice a year, once every four months, or once a month.

AKKA/LAA (Latvia), CREDIDAM (Romania), IPF (Slovenia) and TEOSTO (Finland) let the user decide or negotiate with the entity when they want to make the payments.

Performing Rights

**FREQUENCY BILLING TO THE USERS** 34 RESPONSES

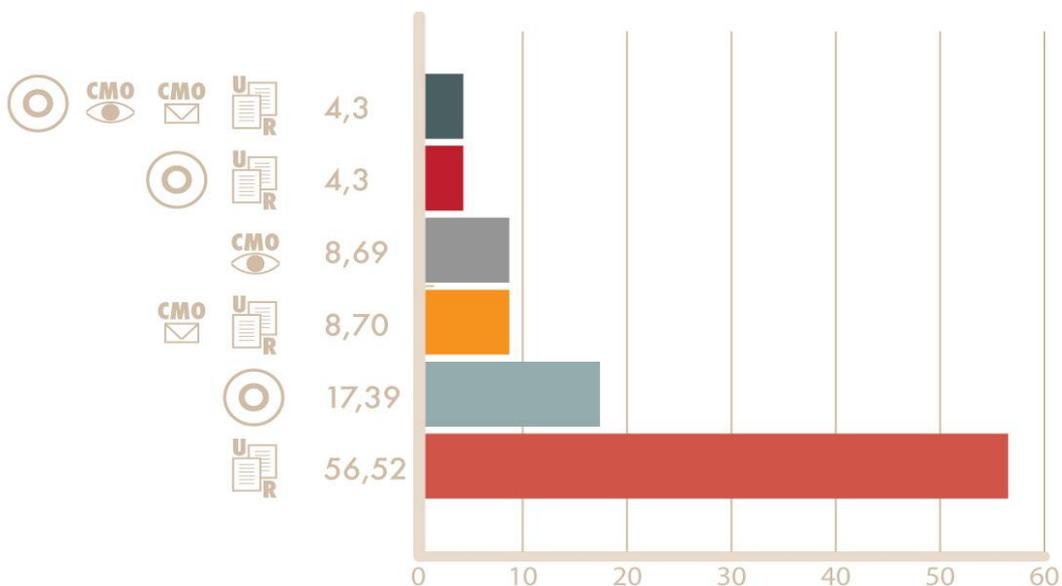


\*Q.10 What is the frequency of billing to the users?

4.4 Usage

Mechanical Rights

**MONITORING OF MUSIC WORKS' USAGE** 23 RESPONSES

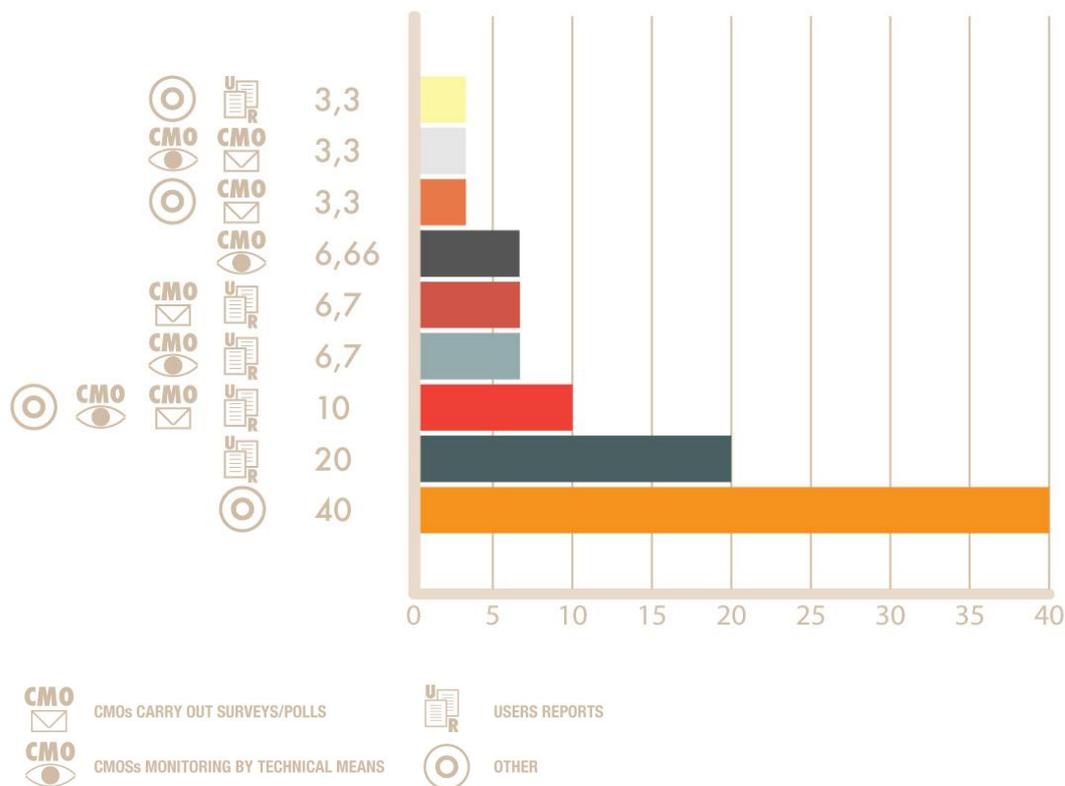


 CMOs CARRY OUT SURVEYS/POLLS       USERS REPORTS  
 CMOs MONITORING BY TECHNICAL MEANS       OTHER

\*Q.5 How does your CMO track the usage of musical works by the user?

Performing Rights

MONITORING OF MUSIC WORKS' USAGE 30 RESPONSES



\*Q.11 How does your CMO track the usage of musical works by the user?

It is interesting to know how the usage of the music is calculated, that is to say, how can the CMOs know what use has been made of each song in order for the distribution of the fees among the rights holders to be as fair as possible.

In both the case of mechanical and performing rights, the users are asked to send repertoire usage reports to the CMOs, which may in turn provide a reduction of their tariffs if they do so. However, not all users send reports, or when they do they are incomplete (i.e. lack the IRSC code to identify a recording, thus making it difficult to assign the corresponding amounts).

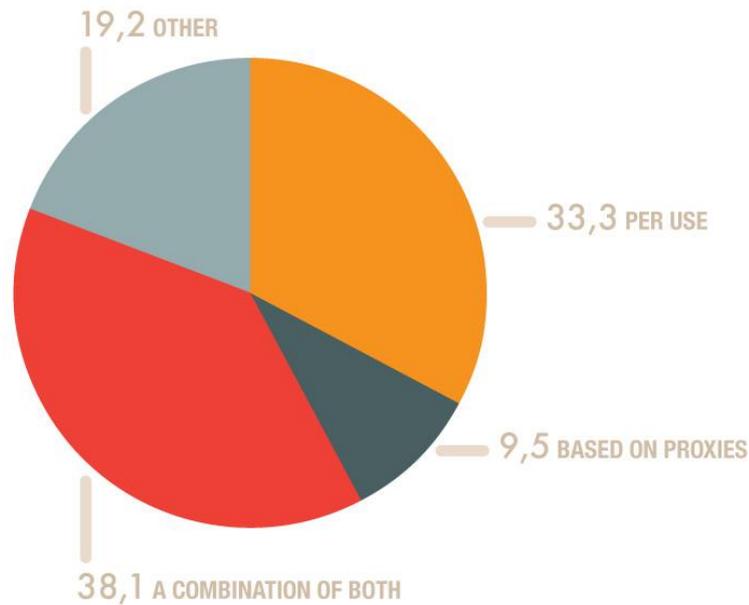
Music providers tend to report usage, and more than half of the CMOs that responded to our questionnaire rely on those to make their distributions. Conversely, establishments rarely provide usage so in this case CMOs track the use of their repertoire using technological tools, specialised monitoring providers (such as BMAT, currently working with more than 70 CMOs around the world), conducting surveys and polls or a combination of those.

In response to the question about how they track usage, SENA (Netherlands) and PROPHON (Bulgaria) reported that usage in establishments is not being tracked at all. Other CMOs use their own staff or third parties to control what is being played at the premises, such as INTERGRAM (Czech Republic) and SLOVGRAM (Slovakia). Many of them simply use proxies based on airplay or broadcast reports, like HUZIP (Croatia) and SAMI (Sweden). While SAZAS (Slovenia) report that they base it on the data of the total fund.

## 4.5 Distributions

### Mechanical Rights

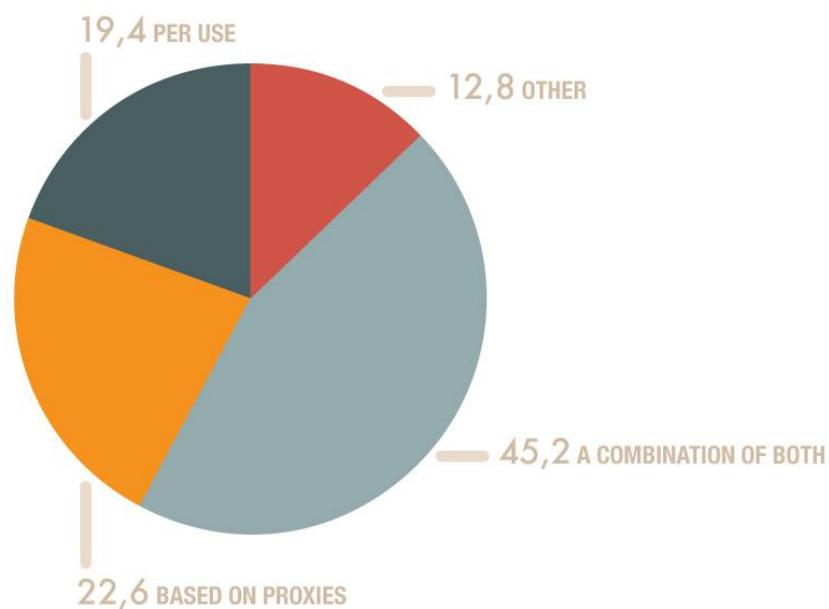
#### BASIS FOR THE DISTRIBUTION TO MEMBERS 21 RESPONSES



\*Q.6 Are distributions to members based on actual use, or are they calculated using proxies?

### Performing Rights

#### BASIS FOR THE DISTRIBUTION TO MEMBERS 31 RESPONSES



Q.12 Are distributions to members based on actual use, or are they calculated using proxies?

Once the collecting society has received the fees paid by the users and has identified the usage of the songs, it is time to distribute those monies to their corresponding rights holders. CMOs establish distribution rules, which sometimes are publicly available on their websites, and more than often are only available to their members.

The most important criteria used for the distribution among the members, both when collecting mechanical and performing rights, are the real use made of the works and the proxies, in different percentages depending on the CMO.

In general, mechanical rights distributions are more accurate with regards to the real repertoire use, since music providers usually provide usage reports, as we have seen before, while public performance rights distributions are mostly based on certain fixed criteria or extrapolations.

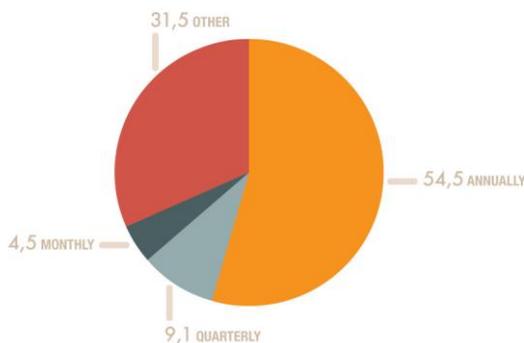
This means that the monies collected for a song used by a background music provider shall, most of the times, be paid to the right authors, artists and producers. Instead, the monies collected for the same song when used by the establishment, will probably be paid to other rights holders already included in the polls or proxies.

There are several peculiarities. SCPP (France) makes a distinction between income from “big users”, distributed based on the actual use of the repertoire, and from “small users”, distributed based on proxies. MUSICAUTOR (Bulgaria) makes a distinction between radio and TV stations and the amount they pay to the entity. SAZAS (Slovenia) indicates that the bases depend on the member category, without specifying further.

**Mechanical Rights**

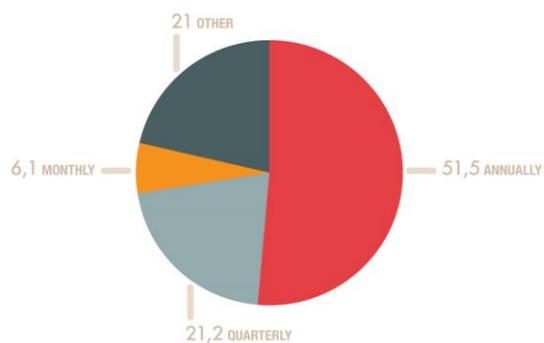
**Performing Rights**

**FREQUENCY OF DISTRIBUTION TO MEMBERS** 22 RESPONSES



\*Q.7 What is the frequency of distribution of this type of usage to your members?

**FREQUENCY OF DISTRIBUTION TO MEMBERS** 33 RESPONSES

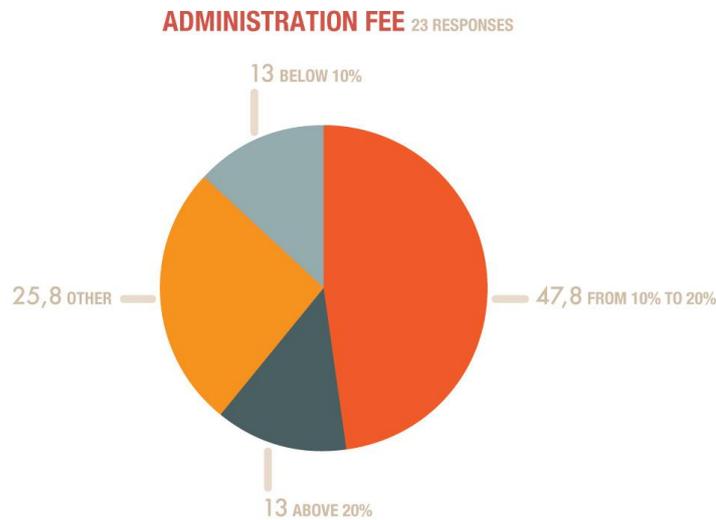


Q.13 What is the frequency of distribution of this type of usage to your members?

The frequency of distribution of the payments to members varies from one CMO to the other. As shown in the graphics above, over half of the ones who responded to our questionnaire pay their members once a year, both for mechanical and performing rights. The others make their payments biannually, quarterly, or let their members decide the frequency of distributions.

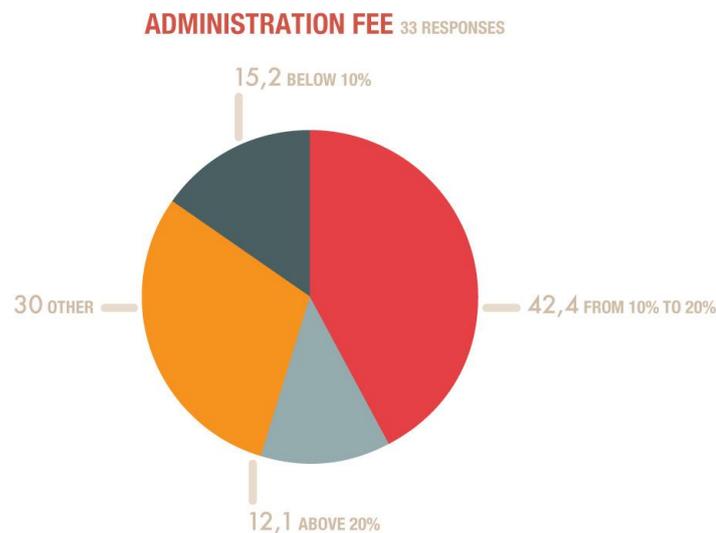
## 4.6 Administration Fees

### Mechanical Rights



\*Q.8 What administration fee do you apply to this type of usage?

### Performing Rights



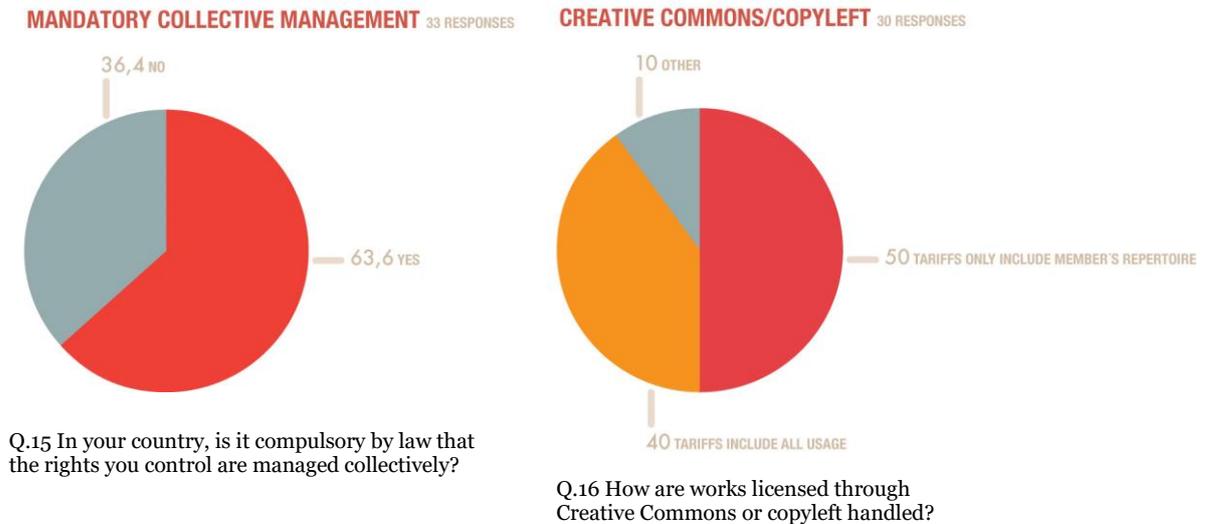
Q.14 What administration fee do you apply to this type of usage?

CMOs usually finance themselves by keeping a percentage of the amounts distributed to their members.

The administration fees they apply for the distribution of the rights revenues varies between 10% and 20% in most cases, while some charge up to 30%. In most CMOs, as pointed out by SAZAS (Slovenia), the percentage depends on the real expenses they incur, and can vary from year to year.

One exception that stands out is INTERGRAM (Czech Republic), which claim not to charge administration fees.

## 4.7 Miscellaneous



We have found that in over 60% of the respective countries of the responding CMOs, collective rights management of the producers and performers' remuneration right for the communication to the public (broadcasting and public performance) is mandatory by law. This right is unwaivable and inalienable, as it was created as a way to protect them against the uncontrolled use made of their music.

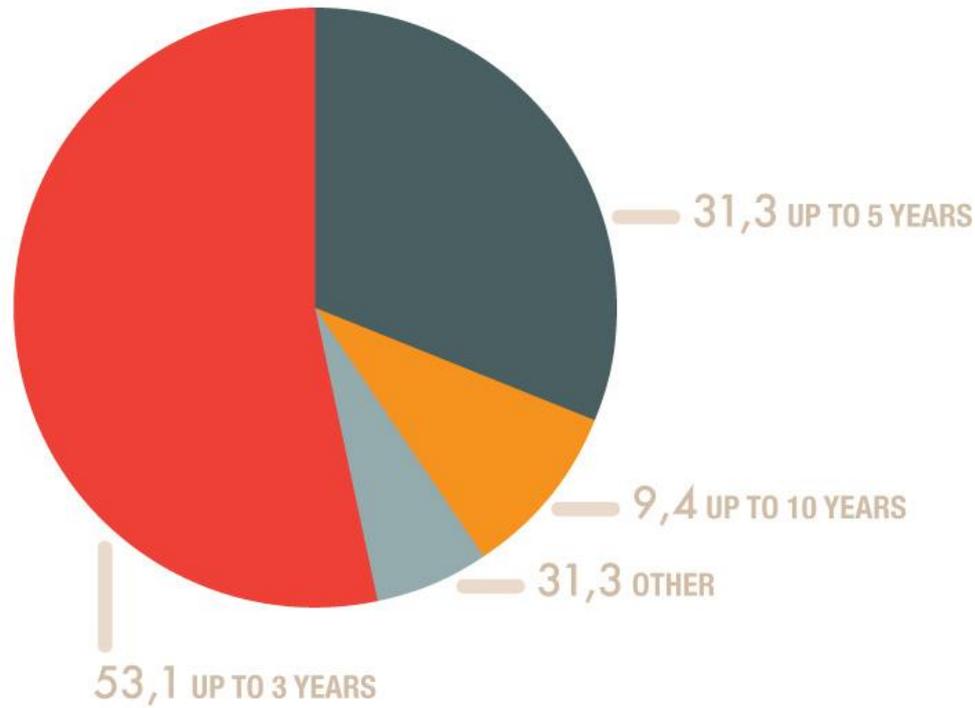
This scenario creates a paradoxical situation in those cases where the authors choose to protect their works differently, e.g. under Creative Commons licenses or Copyleft. Providers of this kind of repertoire publicise and guarantees the establishments free use of the songs, when in reality they are not taking into account the existence of mandatory collective management of the remuneration right for producers and performers.

In the countries where collective management for this kind of rights is not mandatory it is the rights holders themselves who decide whether to commend said management to the CMOs or not.

The situation in the Netherlands is striking. Collective management in that country is mandatory, but SENA and BUMA/STEMRA only collect on behalf of their members. That is to say, the user does not pay for the use of works licensed under Creative Commons or Copyleft.

In the UK the opposite is the case: collective management is not mandatory, yet the PRS' tariffs include all repertoire.

## PRESCRIPTION TIME 32 RESPONSES



Q.17 When the rightholder can't be identified, what is the time limit for disposing of the unclaimed amounts?

Once all payments due to members (or members of other CMOs which are part of reciprocal agreements) have been made, there always are certain works for which no rights holders has been found.

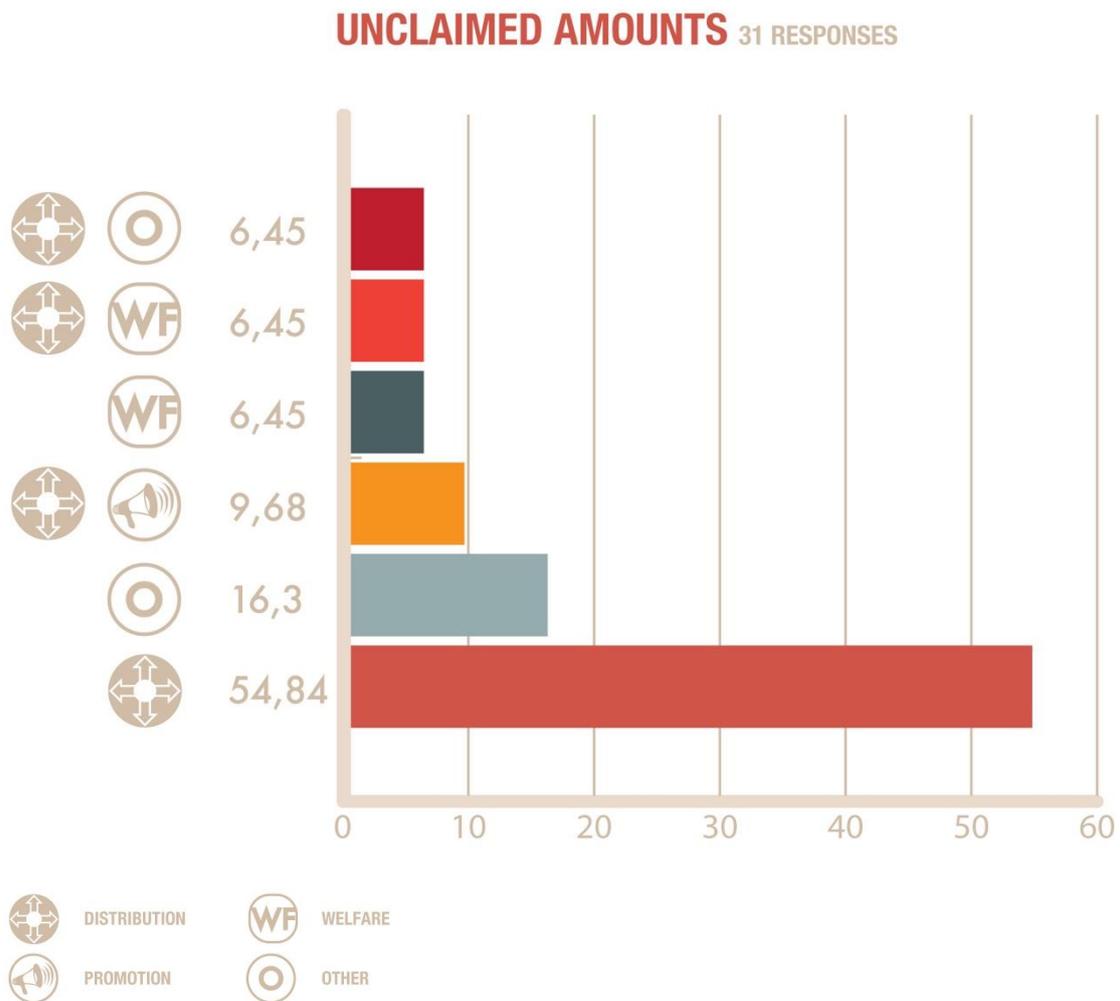
The amounts assigned to these works are allocated and kept for a certain amount of time. Most CMOs establish a 3 to 5-year prescription limit for these unclaimed or unidentified (not assigned to any rights holders in particular) quantities, after which the accumulated amounts are allocated to different purposes.

Until recently, most CMOs simply distributed the money to the rest of their members according to the distribution rules set for the period of time when the revenue was generated. But the Collective Management Directive of 2014 establishes that Member States may limit or determine the permitted uses of those amounts by ensuring that they are used to fund social, cultural and educational activities for the benefit of rights holders.

In general, those unclaimed or unidentified quantities belong to foreign rights holders who have no sub-publishers or whose CMOs do not have reciprocal management agreements in the country in question. This goes mainly for independent publishers and labels, as the majors do not have this problem since they have subsidiaries in virtually every country.

The amounts can also belong to local rights holders who are not registered with any CMO, possibly out of ignorance, or because they have licensed their repertoire under CC or Copyleft.

The existence of unidentified quantities is often also due to identification problems such as typographical errors in the users reports, duplicated or wrong of ISRC codes, or other kinds of mistakes, as there is no global database to help prevent this from happening.



Q.18 Once that limit has been met without anyone having claimed those amounts, what are they intended for?

## 5. Analysis by Country

In this chapter, we present the responses given by the CMOs to our survey. Comments made by the respondent person of each entity are included.

We analyse the data on a per country basis, to give an overview of the rights management in each territory, with the information that has been made available to us by 34 CMOs.

Countries included are listed in alphabetical order:

- Bulgaria
- Croatia
- Czech Republic
- Estonia
- Finland
- France
- Germany
- Greece
- Hungary
- Ireland
- Latvia
- Lithuania
- Netherlands
- Poland
- Portugal
- Romania
- Slovakia
- Slovenia
- Spain
- Sweden
- United Kingdom

## Bulgaria

# MUSICAUTOR

SOCIETY OF COMPOSERS, LYRICISTS AND MUSIC PUBLISHERS FOR COLLECTIVE MANAGEMENT OF COPYRIGHT

| SCOPE     |                              | MISCELLANY |                           |                   |   |
|-----------|------------------------------|------------|---------------------------|-------------------|---|
| TERRITORY | ONE-STOP SHOP                | MCM        | CC                        | PRESCRIPTION TIME | UNCLAIMED AMOUNTS   |
| NATIONAL  | ONLY FOR PERFORMING RIGHTS*1 | NO         | ONLY MEMBERS REPERTOIRE*2 | UP TO 5 YEARS     | 10% ARE KEPT AS A RESERVE TO BE USED IN CASES OF CLAIMS OF COPYRIGHT OWNERS FOR ADJUSTMENTS IN THE DISTRIBUTION. THE REMAINDER ARE CONTRIBUTED EQUALLY TO THE CULTURAL AND SOCIAL FUND OF THE SOCIETY |

\*1 Musicautor (copyright in music) and Prophon (related rights in music) have a common network of agents and a common web-based platform for submission of an application for a licensing agreement, as well as for the calculation of the remuneration due.

Mechanical and performing rights are licensed separately with different agreements to two categories of users: 1/performing rights are licensed to owners of venues; 2/mechanical rights are licensed to djs and companies, offering ready playlists with songs, to venues such as pubs, discos, etc.

\*2 On the other hand, the law states that we can collect sums for non-members as well, if they have not forbidden us to do so. Thus, in the general case we collect and distribute for members and non-members. If, however, the public performance in some works is directly licensed, or there is Creative Commons with an option for commercial use, etc., we don't collect royalties for such works.

|                   | TARIFF'S BASIS                                    | FREQUENCY OF BILLING TO THE USERS  | MONITORING OF MUSIC WORK'S USAGE | DISTRIBUTION TO USERS  | FREQUENCY OF DISTRIBUTION | ADM. FEE |
|-------------------|---|--|----------------------------------|--|---------------------------|----------|
| MECHANICAL RIGHTS | FIXED FEE BASED ON THE NUMBER OF WORKS REPRODUCED | 1/ DJs - ANNUALLY<br>2/ COMPANIES OFFERING PLAYLISTS -ONCE, AT THE MOMENT OF THE SIGNING OF THE LICENSING AGREEMENT AND SUBSEQUENTLY ONLY IF THEY REPRODUCE MORE WORKS THAN THE ONES STATED WHEN SIGNING THE LICENSING AGREEMENT | USER'S REPORTS                   | SUMS ARE DISTRIBUTED ACCORDING TO THE FOLLOWING SCHEMES:<br>1/ 30% ARE PUT INTO CLASS, BULGARIAN NATIONAL RADIO;<br>2/ 30% ARE PUT INTO CLASS RADIOS WHICH PAY TO MUSICAUTOR LESS THAN BGN 4000 PER YEAR;<br>3/ 30% ARE PUT INTO CLASS BULGARIAN NATIONAL TV;<br>4/ 10% ARE PUT INTO CLASS TVs WHICH PAID TO MUSICAUTOR LESS THAN BGN 10000 PER YEAR;<br>5/ 10% ARE PUT INTO CLASS TVs WHICH PAID TO MUSICAUTOR MORE THAN BGN 10000 PER YEAR | ANNUALLY                  | 15%      |
| PERFORMING RIGHTS | SIZE/ SQUARE METERS                               | ANNUALLY, QUARTERLY, USERS CHOICE  | NO ANSWER                        |  | ANNUALLY                  | 25%      |

At this point the reports are not used for distribution on the base of actual use. There is no added value for the society to process big reports with such small sums

# PROPHON

## ORGANIZATION FOR COLLECTIVE MANAGEMENT OF RELATED MUSIC RIGHTS

| SCOPE     |   | MISCELLANY |                          |                   |                   |
|-----------|---|------------|--------------------------|-------------------|-------------------|
| TERRITORY | ONE-STOP SHOP                             | MCM        | CC                       | PRESCRIPTION TIME | UNCLAIMED AMOUNTS |
| NATIONAL  | EACH CMO LICENSES DIRECTLY TO THE CLIENTS | NO         | ONLY MEMBER'S REPERTOIRE | UP TO 5 YEARS     | DISTRIBUTION      |

| TARIFF'S BASIS         | FREQUENCY OF BILLING TO THE USERS | MONITORING OF MUSIC WORK'S USAGE | DISTRIBUTION TO USERS  | FREQUENCY OF DISTRIBUTION | ADM. FEE        |
|------------------------|-----------------------------------|----------------------------------|--|---------------------------|-----------------|
| SIZE/<br>SQUARE METERS | ANNUALLY                          | DON'T TRACK THE USAGE            | 50% BASED ON AVERAGE AIRPLAY; 50% BASED ON MONITORING REPORTS OF BG NATIONAL RADIO AND TV PROGRAMS | ANNUALLY                  | FROM 10% TO 20% |

### Croatia

# HUZIP

## CROATIAN PERFORMERS' RIGHTS COLLECTING SOCIETY

| SCOPE     |                           | MISCELLANY |           |                   |                   |
|-----------|---------------------------|------------|-----------|-------------------|-------------------|
| TERRITORY | ONE-STOP SHOP             | MCM        | CC        | PRESCRIPTION TIME | UNCLAIMED AMOUNTS |
| NATIONAL  | ONLY FOR SOME OF THE CMOs | YES        | ALL USAGE | UP TO 3 YEARS     | CULTURAL FUNDS    |

| TARIFF'S BASIS     | FREQUENCY OF BILLING TO THE USERS | MONITORING OF MUSIC WORK'S USAGE | DISTRIBUTION TO USERS | FREQUENCY OF DISTRIBUTION | ADM. FEE  |
|--------------------|-----------------------------------|----------------------------------|-----------------------|---------------------------|-----------|
| SIZE/SQUARE METERS | MONTHLY                           | BROADCAST REPORTS                | PER USE               | MONTHLY                   | BELOW 10% |

## Czech Republic

# INTERGRAM

INDEPENDENT ASSOCIATION OF EXECUTIVE ARTISTS AND PRODUCERS OF SOUNDTRACKS AND VIDEO

| SCOPE     |   | MISCELLANY |           |                   |                   |
|-----------|---|------------|-----------|-------------------|-------------------|
| TERRITORY | ONE-STOP SHOP                             | MCM        | CC        | PRESCRIPTION TIME | UNCLAIMED AMOUNTS |
| NATIONAL  | EACH CMO LICENSES DIRECTLY TO THE CLIENTS | YES        | ALL USAGE | UP TO 10 YEARS    | DISTRIBUTION      |

|                   | TARIFF'S BASIS                     | FREQUENCY OF BILLING TO THE USERS | MONITORING OF MUSIC WORK'S USAGE | DISTRIBUTION TO USERS     | FREQUENCY OF DISTRIBUTION | ADM. FEE |
|-------------------|------------------------------------|-----------------------------------|----------------------------------|---------------------------|---------------------------|----------|
| PERFORMING RIGHTS | % OF APPLICABLE REVENUE; FIXED FEE | ANNUALLY                          | CONTROLS AT VENUES               | PER USE; BASED ON PROXIES | ANNUALLY                  | NONE     |

# Estonia

## EAU EESTI AUTORITE UHING

| SCOPE     |   | MISCELLANY |                         |                   |                   |
|-----------|---|------------|-------------------------|-------------------|-------------------|
| TERRITORY | ONE-STOP SHOP                                 | MCM        | CC                      | PRESCRIPTION TIME | UNCLAIMED AMOUNTS |
| NATIONAL  | EACH CMO LICENSES DIRECTLY WITH THE CLIENTS*1 | NO*2       | ONLY MEMBERS REPERTOIRE | UP TO 3 YEARS     | DISTRIBUTION      |

\*1 Estonian Authors' Society, Estonian Association of the Phonogram Producers and Estonian Performers Association have reached a one stop shop agreement for collecting some uses of public performance and reproduction:

- Sports events organized by sports federations: EAU keeps 56% of the collected royalties and 44% is paid out to EEL and EFÜ-le;
- Joint licensing of DJ-s, covering the reproduction of musical works meant for public performance; administered by EEL who keeps 10% of collected royalties as commission, the remaining 90% are evenly distributed between EAU, EEL and EFÜ;
- Joint licensing of reproduction of musical works meant for public performance in venues open to the public (limited use, not including in-store music services); administered by EFÜ on the same terms as above;
- Joint licensing of amateur film productions; each organization invoices Estonian Film Amateurs Association in the amount of 1/3 of the agreed lumpsum royalties.

The above joint licensing cases are based on private agreements. Only the cooperation in the field of a blank tape levy is established by law.

\*2 In Estonia exercise of rights through a collective management organisation is mandatory upon cable retransmission of a work.

|                   | TARIFF'S BASIS                              | FREQUENCY OF BILLING TO THE USERS | MONITORING OF MUSIC WORK'S USAGE | DISTRIBUTION TO USERS | FREQUENCY OF DISTRIBUTION | ADM. FEE |
|-------------------|---|-----------------------------------|----------------------------------|-----------------------|---------------------------|----------|
| PERFORMING RIGHTS | SIZE/SQUARE METERS; MUSIC FORMAT; FIXED FEE | QUARTERLY                         | USER'S REPORTS                   | BASED ON PROXIES      | QUARTERLY                 | 22%      |

Comments: For instance catering and accommodation establishments shall pay licence fee to EAU for the performance of mechanical background music as follows:

\*for mechanical background music in accordance with the number of visitors' seats;

\*if, in addition to mechanical background music, also dancing possibility (accompanied by mechanical music) is provided, the Licensee shall pay licence fee for dancing as well. The licence fee for dancing depends on the frequency of dancing nights and on the number of visitors' seats.

The licence fee for the performance of live background music in catering and accommodation establishments is 15 € per day. The catering and accommodation establishments are obliged to submit a repertoire report on live music.



**ESTONIAN ASSOCIATION OF THE PHONOGRAM PRODUCERS**

| SCOPE     |  | MISCELLANY |           |                   |  |
|-----------|--|------------|-----------|-------------------|--|
| TERRITORY | ONE-STOP SHOP  | MCM        | CC        | PRESCRIPTION TIME | UNCLAIMED AMOUNTS                          |
| WORLDWIDE | WE HAVE ONLY ONE ASSOCIATION (EFÜ) WHO MANAGES PRODUCER RIGHTS AND ESTONIAN PERFORMERS ASSOCIATION (EEL) WHO MANAGES PERFORMING RIGHTS | NO         | ALL USAGE | UP TO 3 YEARS     | IT GOES TO ESTONIAN MUSIC DEVELOPMENT FUND |

|                   | TARIFF'S BASIS  | FREQUENCY OF BILLING TO THE USERS             | MONITORING OF MUSIC WORK'S USAGE  | DISTRIBUTION TO USERS     | FREQUENCY OF DISTRIBUTION | ADM. FEE   |
|-------------------|---|---|---|---------------------------|---------------------------|--|
| MECHANICAL RIGHTS | RADIOS PAY PERCENTAGE OF APPLICABLE REVENUE; PUBLIC SPACES (CAFE, NIGHT CLUB, ETC) PAY PER SQUARE METER OR BY THE NUMBER OF VISITORS (SEATING PLACES) | SOME CLIENTS MONTHLY, SMALL CLIENTS QUARTERLY | RADIOS PROVIDE USAGE REPORTS; PUBLIC PRESENTATION IS DIVIDED PROPORTIONALLY | PER USE; BASED ON PROXIES | ANNUALLY                  | 10% FOR THE PROMOTION OF ESTONIAN MUSIC INDUSTRY ACCORDING TO CONTRACT |
| PERFORMING RIGHTS | SIZE/ SQUARE METERS; % OF APPLICABLE REVENUE  | SOME CLIENTS MONTHLY, SMALL CLIENTS QUARTERLY | NO ANSWER   | PER USE; BASED ON PROXIES | ANNUALLY                  | 10% FOR THE PROMOTION OF ESTONIAN MUSIC INDUSTRY ACCORDING TO CONTRACT |

# Finland

## TEOSTO

THE FINNISH COMPOSERS' COPYRIGHT SOCIETY

| SCOPE     |  | MISCELLANY |                         |                   |                   |
|-----------|--|------------|-------------------------|-------------------|-------------------|
| TERRITORY | ONE-STOP SHOP                                  | MCM        | CC                      | PRESCRIPTION TIME | UNCLAIMED AMOUNTS |
| NATIONAL  | NO, EACH CMO LICENSES DIRECTLY TO THE CLIENTS* | NO         | ONLY MEMBERS REPERTOIRE | UP TO 3 YEARS     | DISTRIBUTION      |

\*We have one CMO which is basically sales organization for Teosto and Gramex. They sell licenses for stores, restaurants, etc (only background music)

|                   | TARIFF'S BASIS  | FREQUENCY OF BILLING TO THE USERS | MONITORING OF MUSIC WORK'S USAGE | DISTRIBUTION TO USERS     | FREQUENCY OF DISTRIBUTION | ADM. FEE        |
|-------------------|---|-----------------------------------|----------------------------------|---------------------------|---------------------------|-----------------|
| MECHANICAL RIGHTS | % OF APPLICABLE REVENUE; FIXED FEE                      | CAN BE NEGOTIATED                 | USER'S REPORTS; SURVEYS/POLLS    | PER USE; BASED ON PROXIES | 3 TIMES A YEAR            | FROM 10% TO 20% |
| PERFORMING RIGHTS | SIZE/ SQUARE METERS; % OF APPLICABLE REVENUE; FIXED FEE | MONTHLY                           | USER'S REPORTS; SURVEYS/POLLS    | PER USE; BASED ON PROXIES | TWICE PER YEAR            | FROM 10% TO 20% |

# France

## SACEM

SOCIÉTÉ DES AUTEURS ET COMPOSITEURS ET EDITEURS DE MUSIQUE

| SCOPE   |   | MISCELLANY |                          |                   |                                    |
|---|---|------------|--------------------------|-------------------|------------------------------------|
| TERRITORY   | ONE-STOP SHOP   | MCM        | CC                       | PRESCRIPTION TIME | UNCLAIMED AMOUNTS                  |
| NATIONAL. FOR 1 BACKGROUND MUSIC PROVIDER WE HAVE SOME EUROPEAN COLLECTIONS | SACEM IS MANDATED BY NEIGHBOURING RIGHTS ORGANIZATION TO COLLECT IN SOME PREMISES | NO         | ONLY MEMBER'S REPERTOIRE | UP TO 5 YEARS     | DEDUCTED FROM ADMINISTRATION COSTS |

|                   | TARIFF'S BASIS   | FREQUENCY OF BILLING TO THE USERS | MONITORING OF MUSIC WORK'S USAGE   | DISTRIBUTION TO USERS | FREQUENCY OF DISTRIBUTION | ADM. FEE        |
|-------------------|--|-----------------------------------|--|-----------------------|---------------------------|-----------------|
| MECHANICAL RIGHTS | FIXED FEE WITH SOME PARAMETERS WHICH DEPEND ON THE TYPE OF USER E.G. SQUARE METERS, NUMBER OF EMPLOYEES, NUMBER OF SEATS, NUMBER OF PHONE LINES, ETC                     | ANNUALLY                          | USER'S REPORTS. WHEN NO REPORT IS AVAILABLE, DISTRIBUTION IS MADE BY ANALOGY | PER USE               | ANNUALLY                  | FROM 10% TO 20% |
| PERFORMING RIGHTS | SIZE/SQUARE METERS; FIXED FEE WITH SOME PARAMETERS WHICH DEPEND ON THE TYPE OF USER E.G. SQUARE METERS, NUMBER OF EMPLOYEES, NUMBER OF SEATS, NUMBER OF PHONE LINES, ETC |                                   |  |                       |                           |                 |

# SCPP

## SOCIÉTÉ CIVILE DES PRODUCTEURS PHONOGRAPHIQUES

| SCOPE      |                            | MISCELLANY |                         |                   |                   |
|------------|----------------------------|------------|-------------------------|-------------------|-------------------|
| TERRITORY  | ONE-STOP SHOP              | MCM        | CC                      | PRESCRIPTION TIME | UNCLAIMED AMOUNTS |
| NATIONAL*1 | ONLY FOR SOME OF THE CMO*2 | NO         | ONLY MEMBERS REPERTOIRE | UP TO 5 YEARS     | DISTRIBUTION      |

\*1 Other territories licensed through reciprocal agreements, such as UK, Sweden, Finland, Belgium and so on

\*2 SCPP offers optional one stop shop agreements based on requests from users and reciprocal agreements dedicated to background music supply with other CMOs

|                   | TARIFF'S BASIS                                    | FREQUENCY OF BILLING TO THE USERS                          | MONITORING OF MUSIC WORK'S USAGE | DISTRIBUTION TO USERS                               | FREQUENCY OF DISTRIBUTION | ADM. FEE |
|-------------------|---|--|----------------------------------|---|---------------------------|----------|
| MECHANICAL RIGHTS | % OF APPLICABLE REVENUE; MINIMUM FEE PER PLACE    | SOME ANNUAL, SOME QUARTERLY, BASED ON SIZE OF THE BUSINESS | USER'S REPORTS                   | BIG USERS: PER USE<br>SMALL USERS: BASED ON PROXIES | ANNUALLY                  | 11%      |
| PERFORMING RIGHTS | % OF APPLICABLE REVENUE; MINIMUM FEE PER LOCATION | SOME ANNUAL, SOME QUARTERLY, BASED ON SIZE OF THE VENUE    | USER'S REPORTS                   | PER USE; BASED ON PROXIES                           | ANNUALLY                  | 11%      |

## Germany

### GEMA

#### GESELLSCHAFT FÜR MUSIKALISCHE AUFFÜHRUNGS UND MECHANISCHE Vervielfältigungsrechte

| SCOPE     |                           | MISCELLANY |                          |                   |                   |
|-----------|---------------------------|------------|--------------------------|-------------------|-------------------|
| TERRITORY | ONE-STOP SHOP             | MCM        | CC                       | PRESCRIPTION TIME | UNCLAIMED AMOUNTS |
| NATIONAL  | ONLY FOR SOME OF THE CMOs | NO         | ONLY MEMBER'S REPERTOIRE | UP TO 3 YEARS     | NO ANSWER         |

|                   | TARIFF'S BASIS   | FREQUENCY OF BILLING TO THE USERS | MONITORING OF MUSIC WORK'S USAGE   | DISTRIBUTION TO USERS     | FREQUENCY OF DISTRIBUTION | ADM. FEE        |
|-------------------|--|-----------------------------------|------------------------------------|---------------------------|---------------------------|-----------------|
| MECHANICAL RIGHTS | % OF APPLICABLE REVENUE; FIXED FEE                                   | PER INVOICE                       | USER'S REPORTS                     | PER USE                   | ANNUALLY                  | BELOW 10%       |
| PERFORMING RIGHTS | SIZE/SQUARE METERS; MUSIC FORMAT; % OF APPLICABLE REVENUE; FIXED FEE | QUARTERLY                         | USER'S REPORTS; BY TECHNICAL MEANS | PER USE; BASED ON PROXIES | ANNUALLY                  | FROM 10% TO 20% |

### GVL

#### GESELLSCHAFT ZUR VERWERTUNG VON LEISTUNGSSCHUTZRECHTEN

| SCOPE     |  | MISCELLANY |           |                   |                                  |
|-----------|--|------------|-----------|-------------------|----------------------------------|
| TERRITORY | ONE-STOP SHOP  | MCM        | CC        | PRESCRIPTION TIME | UNCLAIMED AMOUNTS                |
| NATIONAL  | PUBLIC PERFORMANCE AND REPRODUCTION FOR PP IS LICENSED BY GEMA ALSO ON BEHALF OF GYL | YES        | ALL USAGE | UP TO 3 YEARS     | DISTRIBUTION; WELFARE ACTIVITIES |

|                   | TARIFF'S BASIS                           | FREQUENCY OF BILLING TO THE USERS   | MONITORING OF MUSIC WORK'S USAGE | DISTRIBUTION TO USERS | FREQUENCY OF DISTRIBUTION                    | ADM. FEE  |
|-------------------|--|-------------------------------------|----------------------------------|-----------------------|--|-----------|
| MECHANICAL RIGHTS | PERCENTAGE OF GEMA TARIFF (INTEREMISTIC) | PLEASE SEE GEMA BILLING INFORMATION | PLEASE SEE GEMA INFORMATION      | BASED ON PROXIES      | ANNUALLY, FOR THE FUTURE PLANNED MORE OFTEN  | BELOW 10% |
| PERFORMING RIGHTS | SIZE/ SQUARE METERS                      | PLEASE SEE GEMA INFORMATION         | PLEASE SEE GEMA INFORMATION      | BASED ON PROXIES      | ANNUALLY, FOR THE FUTURE PLANNED MORE OFTENZ | BELOW 10% |

Greece

# GRAMMO

HELLENIC COLLECTING & ADMINISTRATING SOCIETY OF THE RIGHTS OF PHONOGRAM & VIDEOGRAM PRODUCERS

| SCOPE     |                           | MISCELLANY |                         |                   |                   |
|-----------|---------------------------|------------|-------------------------|-------------------|-------------------|
| TERRITORY | ONE-STOP SHOP             | MCM        | CC                      | PRESCRIPTION TIME | UNCLAIMED AMOUNTS |
| NATIONAL  | ONLY FOR SOME OF THE CMOs | YES        | ONLY MEMBERS REPERTOIRE | UP TO 3 YEARS     | DISTRIBUTION      |

|                   | TARIFF'S BASIS  | FREQUENCY OF BILLING TO THE USERS | MONITORING OF MUSIC WORK'S USAGE   | DISTRIBUTION TO USERS     | FREQUENCY OF DISTRIBUTION | ADM. FEE        |
|-------------------|---|-----------------------------------|------------------------------------|---------------------------|---------------------------|-----------------|
| MECHANICAL RIGHTS | % OF APPLICABLE REVENUE; FIXED FEE                      | ANNUALLY                          | USER'S REPORTS; SURVEYS/POLLS      | PER USE; BASED ON PROXIES | ANNUALLY                  | FROM 10% TO 20% |
| PERFORMING RIGHTS | SIZE/ SQUARE METERS; % OF APPLICABLE REVENUE; FIXED FEE | ANNUALLY                          | USER'S REPORTS; BY TECHNICAL MEANS | PER USE; BASED ON PROXIES | ANNUALLY                  | FROM 10% TO 20% |

# Hungary

## ARTISJUS

### HUNGARIAN BUREAU FOR THE AUTHORS' RIGHTS

| SCOPE   |   | MISCELLANY |           |                   |                   |
|---|---|------------|-----------|-------------------|-------------------|
| TERRITORY                                     | ONE-STOP SHOP                           | MCM        | CC        | PRESCRIPTION TIME | UNCLAIMED AMOUNTS |
| RIGHTS OF AUTHORS WORLDWIDE AT DOMESTIC SPOTS | ALL THE CMOs USE THE SAME ONE-STOP SHOP | YES        | NO ANSWER | NO ANSWER         | NO ANSWER         |

|                   | TARIFF'S BASIS  | FREQUENCY OF BILLING TO THE USERS   | MONITORING OF MUSIC WORK'S USAGE | DISTRIBUTION TO USERS     | FREQUENCY OF DISTRIBUTION | ADM. FEE        |
|-------------------|---|-------------------------------------|----------------------------------|---------------------------|---------------------------|-----------------|
| MECHANICAL RIGHTS | % OF APPLICABLE REVENUE; AMOUNT OF WORKS IN CATALOGUE; FIXED FEE; DEPENDING ON TYPE OF USE      | DEPENDING ON TYPE AND PERIOD OF USE | USER'S REPORTS                   | PER USE; BASED ON PROXIES | ANNUALLY                  | FROM 10% TO 20% |
| PERFORMING RIGHTS | SIZE/ SQUARE METERS; MUSIC FORMAT; % OF APPLICABLE REVENUE; FIXED FEE; DEPENDING ON TYPE OF USE | QUARTERLY                           | USER'S REPORTS                   | PER USE; BASED ON PROXIES | ANNUALLY                  | FROM 10% TO 20% |

## EJI

### ASSOCIATION OF THE ARTS UNIONS BUREAU FOR THE PROTECTION OF PERFORMERS' RIGHTS

| SCOPE     |   | MISCELLANY |           |                   |                                  |
|-----------|---|------------|-----------|-------------------|----------------------------------|
| TERRITORY | ONE-STOP SHOP                                 | MCM        | CC        | PRESCRIPTION TIME | UNCLAIMED AMOUNTS                |
| NATIONAL  | ALL THE MUSIC CMOs USE THE SAME ONE-STOP SHOP | YES        | ALL USAGE | UP TO 5 YEARS     | DISTRIBUTION; WELFARE ACTIVITIES |

|                   | TARIFF'S BASIS                     | FREQUENCY OF BILLING TO THE USERS | MONITORING OF MUSIC WORK'S USAGE | DISTRIBUTION TO USERS | FREQUENCY OF DISTRIBUTION | ADM. FEE        |
|-------------------|------------------------------------|-----------------------------------|----------------------------------|-----------------------|---------------------------|-----------------|
| PERFORMING RIGHTS | SIZE/ SQUARE METERS; OPENING HOURS | QUARTERLY                         | USER'S REPORTS                   | PER USE               | ANNUALLY                  | FROM 10% TO 20% |

# Ireland

## IMRO/MCPS IRISH MUSIC RIGHTS ORGANIZATION

| SCOPE               |                            | MISCELLANY |           |                   |                   |
|---------------------|----------------------------|------------|-----------|-------------------|-------------------|
| TERRITORY           | ONE-STOP SHOP              | MCM        | CC        | PRESCRIPTION TIME | UNCLAIMED AMOUNTS |
| NATIONAL;<br>EUROPE | ONLY FOR SOME OF THE CMOs* | NO ANSWER  | NO ANSWER | NO ANSWER         | NO ANSWER         |

\*MCPS Ireland licence the publishing right of commercial music for sale/supply of Background Music Services (Mechanical Rights).  
<https://www.imro.ie/music-users/music-services-b2b/>

PPI licence the sound recording / master rights of commercial music for sale/supply of Background Music Services.  
<http://www.ppimusic.ie/>

Through a Dual Licence, IMRO licence the premises/shop/business for the broadcast of both the publishing & sound recording of commercial music. (Performing Rights)  
<https://www.imro.ie/dualllicence/>

|                   | TARIFF'S BASIS                                     | FREQUENCY OF BILLING TO THE USERS | MONITORING OF MUSIC WORK'S USAGE  | DISTRIBUTION TO USERS | FREQUENCY OF DISTRIBUTION | ADM. FEE        |
|-------------------|--|-----------------------------------|---|-----------------------|---------------------------|-----------------|
| MECHANICAL RIGHTS | % OF APPLICABLE REVENUE                            | QUARTERLY                         | USER'S REPORTS  | NO ANSWER             | ANNUALLY                  | FROM 10% TO 20% |
| PERFORMING RIGHTS | SIZE/<br>SQUARE METERS;<br>% OF APPLICABLE REVENUE | ANNUALLY                          | <a href="https://www.imro.ie/about-imro/imro-distribution-policies/#_Toc31949765">https://www.imro.ie/about-imro/imro-distribution-policies/#_Toc31949765</a> |                       | ANNUALLY                  | BELOW 10%       |

## PPI

### PHONOGRAPHIC PERFORMANCE IRELAND

| SCOPE     |                           | MISCELLANY |                          |                   |                   |
|-----------|---------------------------|------------|--------------------------|-------------------|-------------------|
| TERRITORY | ONE-STOP SHOP             | MCM        | CC                       | PRESCRIPTION TIME | UNCLAIMED AMOUNTS |
| NATIONAL  | ONLY FOR SOME OF THE CMOs | NO         | ONLY MEMBER'S REPERTOIRE | 6 YEARS           | DISTRIBUTION      |

|                   | TARIFF'S BASIS                               | FREQUENCY OF BILLING TO THE USERS | MONITORING OF MUSIC WORK'S USAGE | DISTRIBUTION TO USERS | FREQUENCY OF DISTRIBUTION | ADM. FEE  |
|-------------------|--|-----------------------------------|----------------------------------|-----------------------|---------------------------|-----------|
| PERFORMING RIGHTS | SIZE/<br>SQUARE METERS<br>(SEATING CAPACITY) | ANNUALLY                          | THEY DON'T                       | RADIO AIRPLAY         | QUARTERLY                 | ABOVE 20% |

# Latvia

## AKKA-LAA

COPYRIGHT AND COMMUNICATION CONSULTING AGENCY

| SCOPE     |   | MISCELLANY |           |                   |                   |
|-----------|---|------------|-----------|-------------------|-------------------|
| TERRITORY | ONE-STOP SHOP                                   | MCM        | CC        | PRESCRIPTION TIME | UNCLAIMED AMOUNTS |
| NATIONAL  | ONE-STOP SHOP CONCERNS DEFINED USAGES. F.E. DJs | YES        | ALL USAGE | UP TO 3 YEARS     | DISTRIBUTION      |

|                   | TARIFF'S BASIS                               | FREQUENCY OF BILLING TO THE USERS | MONITORING OF MUSIC WORK'S USAGE                 | DISTRIBUTION TO USERS     | FREQUENCY OF DISTRIBUTION | ADM. FEE  |
|-------------------|--|-----------------------------------|--|---------------------------|---------------------------|-----------|
| MECHANICAL RIGHTS | NO ANSWER                                    | USERS CHOICE                      | USER'S REPORTS; BY TECHNICAL MEANS; SURVEY/POLLS | PER USE; BASED ON PROXIES | TWICE PER YEAR            | ABOVE 20% |
| PERFORMING RIGHTS | SIZE/ SQUARE METERS; MUSIC FORMAT; FIXED FEE | USERS CHOICE                      | USER'S REPORTS; BY TECHNICAL MEANS; SURVEY/POLLS | PER USE; BASED ON PROXIES | TWICE PER YEAR            | ABOVE 20% |

## LAIPA

PHONOGRAM PRODUCERS, ARTISTS

| SCOPE     |   | MISCELLANY |           |                   |                   |
|-----------|---|------------|-----------|-------------------|-------------------|
| TERRITORY | ONE-STOP SHOP                             | MCM        | CC        | PRESCRIPTION TIME | UNCLAIMED AMOUNTS |
| WORLDWIDE | EACH CMO LICENSES DIRECTLY TO THE CLIENTS | YES        | ALL USAGE | UP TO 3 YEARS     | DISTRIBUTION      |

|                   | TARIFF'S BASIS                              | FREQUENCY OF BILLING TO THE USERS | MONITORING OF MUSIC WORK'S USAGE   | DISTRIBUTION TO USERS     | FREQUENCY OF DISTRIBUTION | ADM. FEE        |
|-------------------|---|-----------------------------------|------------------------------------|---------------------------|---------------------------|-----------------|
| PERFORMING RIGHTS | % OF APPLICABLE REVENUE; FIXED FEE          | DIFFERS                           | USER'S REPORTS                     | PER USE; BASED ON PROXIES | ANNUAL                    | FROM 10% TO 20% |
| PERFORMING RIGHTS | SIZE/SQUARE METERS; % OF APPLICABLE REVENUE | QUARTERLY                         | USER'S REPORTS; BY TECHNICAL MEANS | PER USE                   | ANNUAL                    | FROM 10% TO 20% |

# Lithuania

## LATGA

LIETUVOS AUTORIU TEISIŲ GYNIMO ASOCIACIJOS AGENTŪRA

| SCOPE     |   | MISCELLANY |                          |                   |                   |
|-----------|---|------------|--------------------------|-------------------|-------------------|
| TERRITORY | ONE-STOP SHOP                             | MCM        | CC                       | PRESCRIPTION TIME | UNCLAIMED AMOUNTS |
| NATIONAL  | EACH CMO LICENSES DIRECTLY TO THE CLIENTS | NO         | ONLY MEMBER'S REPERTOIRE | UP TO 3 YEARS     | DISTRIBUTION      |

|                   | TARIFF'S BASIS   | FREQUENCY OF BILLING TO THE USERS | MONITORING OF MUSIC WORK'S USAGE | DISTRIBUTION TO USERS     | FREQUENCY OF DISTRIBUTION | ADM. FEE  |
|-------------------|--|-----------------------------------|----------------------------------|---------------------------|---------------------------|-----------|
| MECHANICAL RIGHTS | % OF APPLICABLE REVENUE; FIXED FEE                                   | MONTHLY                           | USER'S REPORTS                   | PER USE; BASED ON PROXIES | QUARTERLY                 | ABOVE 20% |
| PERFORMING RIGHTS | SIZE/SQUARE METERS; MUSIC FORMAT; % OF APPLICABLE REVENUE; FIXED FEE | MONTHLY                           | USER'S REPORTS                   | PER USE; BASED ON PROXIES | QUARTERLY                 | ABOVE 20% |

## Netherlands

## BUMA/STEMRA

HET BUREAU VOOR MUZIEKAUTEURSRECHT/ STICHTING TOT EXPLOITATIE VAN MECHANISCHE

| SCOPE     |   | MISCELLANY |                          |                   |                   |
|-----------|---|------------|--------------------------|-------------------|-------------------|
| TERRITORY | ONE-STOP SHOP                             | MCM        | CC                       | PRESCRIPTION TIME | UNCLAIMED AMOUNTS |
| NATIONAL  | EACH CMO LICENSES DIRECTLY TO THE CLIENTS | YES        | ONLY MEMBER'S REPERTOIRE | UP TO 3 YEARS     | DISTRIBUTION      |

|                   | TARIFF'S BASIS      | FREQUENCY OF BILLING TO THE USERS | MONITORING OF MUSIC WORK'S USAGE | DISTRIBUTION TO USERS | FREQUENCY OF DISTRIBUTION | ADM. FEE   |
|-------------------|---------------------|-----------------------------------|----------------------------------|-----------------------|---------------------------|------------|
| MECHANICAL RIGHTS | FIXED FEE           | BI-ANNUALLY WITH ADVANCE PAYMENTS | BY TECHNICAL MEANS               | BASED ON PROXIES      | BI-ANNUALLY               | ABOVE 20%  |
| PERFORMING RIGHTS | SIZE/ SQUARE METERS | ANNUALLY                          | BY TECHNICAL MEANS               | BASED ON PROXIES      | ANNUALLY                  | 10% TO 20% |

## SENA

FOUNDATION FOR THE EXPLOITATION OF NEIGHBOURING RIGHTS

| SCOPE     |                             | MISCELLANY |                         |                   |  |
|-----------|-----------------------------|------------|-------------------------|-------------------|--|
| TERRITORY | ONE-STOP SHOP               | MCM        | CC                      | PRESCRIPTION TIME | UNCLAIMED AMOUNTS  |
| NATIONAL  | ONLY FOR SOME OF THE CMOs*1 | YES        | ONLY MEMBERS REPERTOIRE | UP TO 3 YEARS     | DISTRIBUTION. BESIDED DISTRIBUTION THE UNCLAIMED AMOUNTS ARE BENEFITED TO SOCU, A FUND SUPPORTING MUSIC DEVELOPMENT IN THE NETHERLANDS |

\*1 We have a portal called Mijnllicentie.nl. Licensing for Sena (neighbouring rights) and Buma/Stemra (intellectual property rights) can be arranged via this portal. This only counts for individual licensing.

|                   | TARIFF'S BASIS  | FREQUENCY OF BILLING TO THE USERS | MONITORING OF MUSIC WORK'S USAGE  | DISTRIBUTION TO USERS     | FREQUENCY OF DISTRIBUTION | ADM. FEE  |
|-------------------|---|-----------------------------------|---|---------------------------|---------------------------|-----------|
| MECHANICAL RIGHTS | SIZE/ SQUARE METERS; % OF APPLICABLE REVENUE; FIXED FEE | ANNUALLY                          | REGULAR MUSIC USAGE VIA RADIO, CD, ETC. IN PUBLIC SPACES IS NOT BEING TRACKED. BACKGROUND MUSIC SUPPLIERS DELIVER THEIR PLAYLISTS VIA USAGE REPORTS. SO DO THE COMMERCIAL RADIO AND TELEVISION STATIONS | PER USE; BASED ON PROXIES | QUARTERLY                 | BELOW 10% |

# Poland

## SAWP

### STOWARZYSZENIE ARTYSTÓW WYKONAWCÓW UTWORÓW MUZYCZNYCH I SLOWNO-MUZYCZNYCH

| SCOPE     |                           | MISCELLANY |                         |                   |                                      |
|-----------|---------------------------|------------|-------------------------|-------------------|--------------------------------------|
| TERRITORY | ONE-STOP SHOP             | MCM        | CC                      | PRESCRIPTION TIME | UNCLAIMED AMOUNTS                    |
| WORLDWIDE | ONLY FOR SOME OF THE CMOs | YES        | ONLY MEMBERS REPERTOIRE | UP TO 10 YEARS    | DISTRIBUTION; PROMOTIONAL ACTIVITIES |

|                   | TARIFF'S BASIS                              | FREQUENCY OF BILLING TO THE USERS | MONITORING OF MUSIC WORK'S USAGE | DISTRIBUTION TO USERS     | FREQUENCY OF DISTRIBUTION | ADM. FEE        |
|-------------------|---|-----------------------------------|----------------------------------|---------------------------|---------------------------|-----------------|
| PERFORMING RIGHTS | SIZE/SQUARE METERS; % OF APPLICABLE REVENUE | DEPENDS ON THE AGREEMENTS         | USER'S REPORTS                   | PER USE; BASED ON PROXIES | SEMESTRAL                 | FROM 10% TO 20% |

# Portugal

## GDA

| SCOPE     |   | MISCELLANY |                         |                   |                    |
|-----------|---|------------|-------------------------|-------------------|--------------------|
| TERRITORY | ONE-STOP SHOP   | MCM        | CC                      | PRESCRIPTION TIME | UNCLAIMED AMOUNTS  |
| NATIONAL  | PASSMÚSICA: GDA/ AUDIOGEST (PRODUCERS) FOR PUBLIC PERFORMANCE | YES        | ONLY MEMBERS REPERTOIRE | UP TO 3 YEARS     | WELFARE ACTIVITIES |

|                   | TARIFF'S BASIS   | FREQUENCY OF BILLING TO THE USERS | MONITORING OF MUSIC WORK'S USAGE | DISTRIBUTION TO USERS     | FREQUENCY OF DISTRIBUTION                         | ADM. FEE  |
|-------------------|--|-----------------------------------|----------------------------------|---------------------------|---|---|
| MECHANICAL RIGHTS | % OF APPLICABLE REVENUE; FIXED FEE                                       | ANNUALLY                          | BY TECHNICAL MEANS               | PER USE; BASED ON PROXIES | IT DEPENDS ON COLLECTIONS BUT MOSTLY TWICE A YEAR | IT VARIES ACCORDING TO THE IDENTIFICATION OF THE REPERTOIRE RIGHT HOLDERS. IN 2016, 20% |
| PERFORMING RIGHTS | SIZE/ SQUARE METERS; % OF APPLICABLE REVENUE; DEPENDS ON THE TYPE OF USE | ANNUALLY                          | BY TECHNICAL MEANS               | PER USE; BASED ON PROXIES | TWICE A YEAR                                      | IT VARIES ACCORDING TO THE IDENTIFICATION OF THE REPERTOIRE RIGHT HOLDERS. IN 2016, 20% |

## Romania

### CREDIDAM

THE ROMANIAN CENTER FOR PERFORMERS RIGHTS MANAGEMENT

| SCOPE     |                           | MISCELLANY |           |                   |                             |
|-----------|---------------------------|------------|-----------|-------------------|-----------------------------|
| TERRITORY | ONE-STOP SHOP             | MCM        | CC        | PRESCRIPTION TIME | UNCLAIMED AMOUNTS           |
| WORLDWIDE | ONLY FOR SOME OF THE CMOs | YES        | NO ANSWER | UP TO 3 YEARS     | GENERAL ASSEMBLY CAN DECIDE |

|                   | TARIFF'S BASIS  | FREQUENCY OF BILLING TO THE USERS | MONITORING OF MUSIC WORK'S USAGE   | DISTRIBUTION TO USERS | FREQUENCY OF DISTRIBUTION | ADM. FEE  |
|-------------------|---|-----------------------------------|--|-----------------------|---------------------------|-----------|
| PERFORMING RIGHTS | SIZE/SQUARE METERS; FIXED FEE; LOCATION OF THE UNIT (CITY/VILLAGE/ ETC) | USER CHOICES                      | SURVEYS/POLLS, CORROBORATED WITH THE PLAYLISTS SENT BY RADIO OR TV STATION | PER USE               | QUARTERLY                 | BELOW 15% |

### UCMR-ADA

ROMANIAN MUSICAL PERFORMING AND MECHANICAL RIGHTS SOCIETY

| SCOPE     |   | MISCELLANY |           |                   |                   |
|-----------|---|------------|-----------|-------------------|-------------------|
| TERRITORY | ONE-STOP SHOP                             | MCM        | CC        | PRESCRIPTION TIME | UNCLAIMED AMOUNTS |
| NATIONAL  | EACH CMO LICENSES DIRECTLY TO THE CLIENTS | YES        | ALL USAGE | UP TO 3 YEARS     | DISTRIBUTION      |

|                   | TARIFF'S BASIS          | FREQUENCY OF BILLING TO THE USERS | MONITORING OF MUSIC WORK'S USAGE | DISTRIBUTION TO USERS | FREQUENCY OF DISTRIBUTION | ADM. FEE        |
|-------------------|-------------------------|-----------------------------------|----------------------------------|-----------------------|---------------------------|-----------------|
| PERFORMING RIGHTS | % OF APPLICABLE REVENUE | QUARTERLY                         | USER'S REPORTS                   | PER USE               | MONTHLY                   | FROM 10% TO 20% |
| PERFORMING RIGHTS | SIZE/SQUARE METERS      | QUARTERLY                         | USER'S REPORTS                   | BASED ON PROXIES      | QUARTERLY                 | FROM 10% TO 20% |

## Slovakia

## SLOVGRAM

SLOVAK ARTISTS COLLECTING SOCIETY

| SCOPE     |                            | MISCELLANY |           |                   |                   |
|-----------|----------------------------|------------|-----------|-------------------|-------------------|
| TERRITORY | ONE-STOP SHOP              | MCM        | CC        | PRESCRIPTION TIME | UNCLAIMED AMOUNTS |
| NATIONAL  | ONLY FOR PERFORMING RIGHTS | YES        | NO ANSWER | UP TO 3 YEARS     | DISTRIBUTION      |

|                   | TARIFF'S BASIS                 | FREQUENCY OF BILLING TO THE USERS | MONITORING OF MUSIC WORK'S USAGE | DISTRIBUTION TO USERS | FREQUENCY OF DISTRIBUTION | ADM. FEE        |
|-------------------|--------------------------------|-----------------------------------|----------------------------------|-----------------------|---------------------------|-----------------|
| MECHANICAL RIGHTS | FIXED FEE                      | MONTHLY/ANNUALLY                  | BY EXTERNAL EMPLOYEE             | NO ANSWER             | ANNUALLY                  | FROM 10% TO 20% |
| PERFORMING RIGHTS | SIZE/ SQUARE METERS; FIXED FEE | ANNUALLY                          | BY EXTERNAL EMPLOYEE             | NO ANSWER             | ANNUALLY                  | FROM 10% TO 20% |

## SOZA

SLOVAK SOCIETY OF AUTHORS

| SCOPE     |                            | MISCELLANY |                          |                   |                   |
|-----------|----------------------------|------------|--------------------------|-------------------|-------------------|
| TERRITORY | ONE-STOP SHOP              | MCM        | CC                       | PRESCRIPTION TIME | UNCLAIMED AMOUNTS |
| NATIONAL  | ONLY FOR PERFORMING RIGHTS | NO         | ONLY MEMBER'S REPERTOIRE | UP TO 3 YEARS     | DISTRIBUTION      |

|                   | TARIFF'S BASIS                                | FREQUENCY OF BILLING TO THE USERS | MONITORING OF MUSIC WORK'S USAGE | DISTRIBUTION TO USERS | FREQUENCY OF DISTRIBUTION | ADM. FEE        |
|-------------------|---|-----------------------------------|----------------------------------|-----------------------|---------------------------|-----------------|
| MECHANICAL RIGHTS | % OF APPLICABLE REVENUE                       | ANNUALLY                          | USER'S REPORTS                   | PER USE               | ANNUALLY                  | FROM 10% TO 20% |
| PERFORMING RIGHTS | SIZE/ SQUARE METERS; NUMBER OF RADIO/ TV SETS | ANNUALLY                          | NO ANSWER                        | BASED ON PROXIES      | ANNUALLY                  | ABOVE 20%       |

## Slovenia

## IPF

## COLLECTING SOCIETY OF AUTHORS, PERFORMERS AND FILM PRODUCERS OF AUDIOVISUAL WORKS OF SLOVENIA

|                   | SCOPE  |  | MISCELLANY  |  |                           |                   |
|-------------------|--|--|---|--|---------------------------|-------------------|
|                   | TERRITORY  | ONE-STOP SHOP                                  | MCM   | CC   | PRESCRIPTION TIME         | UNCLAIMED AMOUNTS |
|                   | MOSTLY NATIONAL, BUT SUBJECT TO CHANGE TO CHANGE WITH IMPLEMENTATIONS OF CROSS-BORDER LICENSING PROVISIONS BEING IMPLEMENTED IN THE EU | EACH CMO LICENSES DIRECTLY TO THE CLIENTS      | YES   | ALL USAGE, WITH ONE EXCEPTION IN EVENTS WHEN THE ORGANISER IS AT THE SAME TIME THE SOLE OWNER OF ALL THE RIGHTS (COPYRIGHT AND RELATED) ON ALL OF THE USED MUSIC | UP TO 5 YEARS             | DISTRIBUTION      |
|                   | TARIFF'S BASIS   | FREQUENCY OF BILLING TO THE USERS              | MONITORING OF MUSIC WORK'S USAGE                  | DISTRIBUTION TO USERS  | FREQUENCY OF DISTRIBUTION | ADM. FEE          |
| PERFORMING RIGHTS | SIZE/SQUARE METERS; MUSIC FORMAT; FIXED FEE  | DEPENDING ON THE FEE AND/OR WISHES OF THE USER | USER'S REPORTS; BY TECHNICAL MEANS; SURVEYS/POLLS | NO ANSWER  | ANNUALLY                  | VARY YEAR-ON-YEAR |

## SAZAS

## THE SOCIETY OF COMPOSERS, AUTHORS AND PUBLISHERS OF SLOVENIA

|                   | SCOPE                                       |   | MISCELLANY                          |                       |                           |                      |
|-------------------|---|---|-------------------------------------|-----------------------|---------------------------|----------------------|
|                   | TERRITORY                                   | ONE-STOP SHOP                                 | MCM                                 | CC                    | PRESCRIPTION TIME         | UNCLAIMED AMOUNTS    |
|                   | NATIONAL                                    | NO, EACH CMO LICENSES DIRECTLY TO THE CLIENTS | YES                                 | DON'T USE CC          | UP TO 5 YEARS             | DISTRIBUTION         |
|                   | TARIFF'S BASIS                              | FREQUENCY OF BILLING TO THE USERS             | MONITORING OF MUSIC WORK'S USAGE    | DISTRIBUTION TO USERS | FREQUENCY OF DISTRIBUTION | ADM. FEE             |
| MECHANICAL RIGHTS | SIZE; KIND OF USE                           | ANNUALLY, QUARTERLY OR MONTHLY                | BASED ON THE DATA OF THE TOTAL FUND | DEPENDING ON CATEGORY | ANNUALLY                  | IN RELATION TO COSTS |
| PERFORMING RIGHTS | SIZE/SQUARE METERS; MUSIC FORMAT; FIXED FEE | ANNUALLY, QUARTERLY OR MONTHLY                | BASED ON THE DATA OF THE TOTAL FUND | DEPENDING ON CATEGORY | ANNUALLY                  | IN RELATION TO COSTS |

# Spain

## AGEDI

### ASOCIACIÓN DE GESTIÓN DE DERECHOS INTELECTUALES

| SCOPE     |   | MISCELLANY |           |                   |  |  |
|-----------|---|------------|-----------|-------------------|--|--|
| TERRITORY | ONE-STOP SHOP                             | MCM        | CC        | PRESCRIPTION TIME | UNCLAIMED AMOUNTS  |  |
| NATIONAL  | ONLY FOR SOME OF THE CMOs (AGEDI AND AIE) | YES        | ALL USAGE | UP TO 5 YEARS     | DISTRIBUTION; PROMOTIONAL ACTIVITIES; WELFARE ACTIVITIES |  |

|                   | TARIFF'S BASIS                               | FREQUENCY OF BILLING TO THE USERS | MONITORING OF MUSIC WORK'S USAGE           | DISTRIBUTION TO USERS     | FREQUENCY OF DISTRIBUTION | ADM. FEE        |
|-------------------|--|-----------------------------------|--|---------------------------|---------------------------|-----------------|
| MECHANICAL RIGHTS | % OF APPLICABLE REVENUE                      | QUARTERLY                         | USER'S REPORTS; BY TECHNICAL MEANS         | PER USE; BASED ON PROXIES | EVERY TWO MONTHS          | FROM 10% TO 20% |
| PERFORMING RIGHTS | SIZE/ SQUARE METERS; % OF APPLICABLE REVENUE | QUARTERLY                         | A COMBINATION OF USAGE REPORTS AND PROXIES | PER USE; BASED ON PROXIES | EVERY TWO MONTHS          | FROM 10% TO 20% |

## AIE

### ARTISTAS, INTÉRPRETES O EJECUTANTES

| SCOPE     |                            | MISCELLANY |           |                   |                    |  |
|-----------|----------------------------|------------|-----------|-------------------|--------------------|--|
| TERRITORY | ONE-STOP SHOP              | MCM        | CC        | PRESCRIPTION TIME | UNCLAIMED AMOUNTS  |  |
| NATIONAL  | ONLY FOR PERFORMING RIGHTS | YES        | ALL USAGE | UP TO 5 YEARS     | WELFARE ACTIVITIES |  |

|                   | TARIFF'S BASIS                 | FREQUENCY OF BILLING TO THE USERS | MONITORING OF MUSIC WORK'S USAGE | DISTRIBUTION TO USERS | FREQUENCY OF DISTRIBUTION | ADM. FEE  |
|-------------------|--------------------------------|-----------------------------------|----------------------------------|-----------------------|---------------------------|-----------|
| PERFORMING RIGHTS | SIZE/ SQUARE METERS; FIXED FEE | PERIODICALLY                      | SURVEY/POLLS                     | PER USE               | BIANNUAL                  | BELOW 10% |

# SGAE

## SOCIEDAD DE GESTIÓN DE AUTORES Y EDITORES

| SCOPE             |   | MISCELLANY                        |                                   |                       |   |          |
|-------------------|---|-----------------------------------|-----------------------------------|-----------------------|---|----------|
| TERRITORY         | ONE-STOP SHOP   | MCM                               | CC                                | PRESCRIPTION TIME     | UNCLAIMED AMOUNTS   |          |
| NATIONAL          | SGAE COLLECTS THE COMMUNICATION TO THE PUBLIC RIGHTS FOR MUSIC PERFORMERS AND PRODUCERS | YES                               | ONLY MEMBER'S REPERTOIRE          | UP TO 5 YEARS         | DISTRIBUTION; PROMOTIONAL ACTIVITIES; COMPENSATION FOR NEGATIVE SURPLUSES |          |
|                   | TARIFF'S BASIS  | FREQUENCY OF BILLING TO THE USERS | MONITORING OF MUSIC WORK'S USAGE  | DISTRIBUTION TO USERS | FREQUENCY OF DISTRIBUTION   | ADM. FEE |
| MECHANICAL RIGHTS | % OF APPLICABLE REVENUE   | MONTHLY                           | USER'S REPORTS                    | PER USE               | EVERY SIX MONTHS  | 9,32%    |
| PERFORMING RIGHTS | SIZE/ SQUARE METERS; MUSIC FORMAT   | MONTHLY                           | BY TECHNICAL MEANS; SURVEYS/POLLS | PER USE               | EVERY SIX MONTHS  | 30%      |

## Sweden

## SAMI

## SVENSKA ARTISTERS OCH MUSIKERS INTRESSEORGANISATION

| SCOPE     |                            | MISCELLANY |           |                   |                   |
|-----------|----------------------------|------------|-----------|-------------------|-------------------|
| TERRITORY | ONE-STOP SHOP              | MCM        | CC        | PRESCRIPTION TIME | UNCLAIMED AMOUNTS |
| WORLDWIDE | ONLY FOR PERFORMING RIGHTS | YES        | ALL USAGE | UP TO 10 YEARS    | DISTRIBUTION      |

|                   | TARIFF'S BASIS                          | FREQUENCY OF BILLING TO THE USERS | MONITORING OF MUSIC WORK'S USAGE                                   | DISTRIBUTION TO USERS     | FREQUENCY OF DISTRIBUTION | ADM. FEE  |
|-------------------|---|-----------------------------------|--|---------------------------|---------------------------|-----------|
| PERFORMING RIGHTS | SIZE/<br>SQUARE METERS;<br>MUSIC FORMAT | TWICE A YEAR                      | RADIO AND TV STATIONS AND LIBRARIES PROVIDE THE MAIN USAGE REPORTS | PER USE; BASED ON PROXIES | MONTHLY                   | NO ANSWER |

# United Kingdom

## PRS

### PERFORMING RIGHTS SOCIETY

| SCOPE  |   | MISCELLANY |           |  |                   |
|--|---|------------|-----------|--|-------------------|
| TERRITORY                                      | ONE-STOP SHOP                             | MCM        | CC        | PRESCRIPTION TIME  | UNCLAIMED AMOUNTS |
| NATIONAL; EUROPE; MIDDLE EAST AND NORTH AFRICA | EXPECTING TO LAUNCH A NEW JOINT VENTURE*1 | NO         | ALL USAGE | MECHANICAL RIGHTS: UP TO 6 YEARS; PERFORMING RIGHTS: 3 YEARS | DISTRIBUTION      |

\*1 PRS expects to launch a new joint venture with PPL, neighboring rights society, which will allow users to get a joint licence for public performance of music in the UK

|                   | TARIFF'S BASIS  | FREQUENCY OF BILLING TO THE USERS                    | MONITORING OF MUSIC WORK'S USAGE                  | DISTRIBUTION TO USERS     | FREQUENCY OF DISTRIBUTION | ADM. FEE        |
|-------------------|---|--|---|---------------------------|---------------------------|-----------------|
| MECHANICAL RIGHTS | % OF APPLICABLE REVENUE; MINIMUM FEE PER SITE PER MONTH, IF PERCENTAGE OF APPLICABLE REVENUE IS TOO LOW | QUARTERLY  | USER'S REPORTS                                    | PER USE                   | QUARTERLY                 | FROM 10% TO 20% |
| PERFORMING RIGHTS | SIZE/SQUARE METERS; MUSIC FORMAT; % OF APPLICABLE REVENUE   | MONTHLY, QUARTERLY OR ANNUALLY DEPENDING ON LICENSEE | USER'S REPORTS; BY TECHNICAL MEANS; SURVEYS/POLLS | PER USE; BASED ON PROXIES | QUARTERLY                 | FROM 10% TO 20% |

## 6. Conclusions

After fourteen months of insisting and pursuing answers and basic information that is actually supposed to be public from 91 European CMOs, we were able to obtain proper answers from 34. As much as we would like to thank all those who have collaborated with us, we also believe it necessary to point out the lack of cooperation and transparency we have encountered in some cases.

Over the course of our investigation, we have found some major divergences in the different management processes, some imposed by the CMOs themselves (i.e. the tariff calculation; the criteria to establish the distribution of funds to their members; the distribution frequency; administration costs), and others imposed by law, such as mandatory collective management.

One important point is that most CMOs' licensing scope, as far as the end user is concerned, is bound to their national territory. We think multi-territorial licenses would be a very useful tool for music providers.

Another important and worrying aspect is that the basis for the calculation of tariffs differs greatly from one CMO to the other. Even within the same country and for the same kind of rights we have found enormous differences, which only makes for more confusion among end users and in the realm of in-store music in general. We find a sector in which the difference in costs that a small shop in Greece can have in comparison with a similar establishment in Germany can vary dramatically, and be completely disproportionate to wealth or market markers of the respective country.

A point we feel is essential, and on which improvements should be made, as the present system is far from fair, are the bases for distribution among CMO members, especially when it comes to performing rights. Obviously, the real use, the payment for each song being played, is the ideal system everybody strives for. However, the reality is that at present, payments in relation to random samples given by radio or TV stations, which are then extrapolated in order to assign a certain percentage to each work, prevail. This system certainly has a high error margin and benefits the larger repertoires played on radio and TV which belong to major corporations, putting smaller producers at a disadvantage.

The treatment of works licensed under Creative Commons or Copyleft is a source of confusion as well, as we explained in section 4.8. Many CMOs keep collecting rights for these works – even though their rights holders do not wish them to do so – due to mandatory collective management, or rather the interpretation of the laws that stipulate it. To which we have to add that the money collected should be used, if anything, for social, promotional or welfare purposes for the creators' community, and not improperly to the benefit of other repertoires.

Ultimately, we see a dramatic imbalance and lack of coordination when it comes to the procedures among European CMOs. We believe that this is where more collaboration between CMOs is needed on a regional level, and a harmonisation process with regards to criteria, licenses and tariffs. This could help generate confidence and security among rights holders as well as intermediaries and end users. In fact, this will be the endeavour of our upcoming document D.7.5. There still is a long way to go and a lot of work to be done in that respect, but it is absolutely necessary in a sector that is clearly on the rise, and which is used ever more as a tool to build a corporate image (branding).

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## Annex I

Dear Sir/Madam,

My name is Lucía Reguera Castro. I work at [Lovemonk](#), a record label and music publishing company in Madrid, Spain.

We are involved in a project funded by European Union, [ABC DJ Consortium](#), (part of the [European Union's Horizon 2020](#) programme), in collaboration with other European companies and institutions. This Project is focused on studying and developing musical functionalities for in-store and background music.

Lovemonk in particular is in charge of carrying out all research on European collecting societies in connection with this prospective service and its legal environment. The main goal is to analyse prime background music service providers for public spaces (shops, hotels, restaurants, etc), in order to identify those areas in which there is still room for improvement.

Thus, we are applying to all the region's collecting societies in order to attain an in-depth knowledge of all the procedures related to background music. We intend to produce a comparative analysis that will have a global positive impact, by presenting a simple but comprehensive pan-European snapshot of all the rights involved, licenses required and tariffs to be cleared out, and the corresponding collecting societies to be addressed.

We firmly believe this research will improve and benefit all parties involved in the background music industry. Hence, we are kindly asking you to reply to the short online questionnaire you'll find in the link below. It should not take more than ten minutes to complete. Any useful information regarding the management of background music you can provide will be greatly appreciated.

Link — [Questionnaire](#)

If you prefer, you can find the questionnaire in the PDF attached.

Please, do not hesitate to contact us should you have any questions or require further information.

Thank you very much in advance for your help. Looking forward to hearing from you.

Faithfully,

Lucía Reguera

# Annex II

Background Music Survey

## Background Music Survey

### ABC\_DJ Consortium. European Union "Horizon 2020"



Artist to  
Business to Business  
to Consumer  
Audio Branding System

[www.abcdj.eu](http://www.abcdj.eu)

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We kindly ask you to share with us any useful information regarding the collective management of background music by your organization.

Your feedback is very important to us. We thank you in advance for your participation.

If you need assistance you can call us at +34 915315365.

There are comment boxes at the end of each section to clarify or expand information, attach links, etc.

### General information

---

**1. Name and title of the respondent**

\_\_\_\_\_

**2. Name of your organization**

\_\_\_\_\_

**3. Country**

\_\_\_\_\_

**4. Follow-up email**

Please provide an email to submit the final report to, and in case of having to contact you at some point before.

\_\_\_\_\_

Background Music Survey

## ABC\_DJ Consortium. European Union "Horizon 2020"



Artist to  
Business to Business  
to Consumer  
Audio Branding System

[www.abcdj.eu](http://www.abcdj.eu)

### RIGHTS AND SCOPE

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**5. What is the territorial scope of your licenses?**

*Tick all that apply.*

- National
- Europe
- Worldwide
- Other: \_\_\_\_\_

**6. Is there any agreement/one-stop shop in place among the collecting societies in your country or area to license and collect fees?**

*Mark only one oval.*

- Yes, all the music CMOs use the same one-stop shop
- Only for some of the CMOs
- Only for Mechanical rights
- Only for Performing rights
- No, each CMO licenses directly to the clients
- Other: \_\_\_\_\_

**7. Comments**

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## ABC\_DJ Consortium. European Union "Horizon 2020"

Background Music Survey



Artist to  
Business to Business  
to Consumer  
Audio Branding System

[www.abcdj.eu](http://www.abcdj.eu)

## **MECHANICAL RIGHTS (storage and supply of works for background music)**

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Please skip this section and proceed to the next one if your CMO only manages Performing rights.

### **8. On which basis are your tariffs calculated?**

*Tick all that apply.*

- Percentage of applicable revenue
- Amount of works in catalogue
- Fixed fee
- Other: \_\_\_\_\_

### **9. What is the frequency of billing to the users?**

*Mark only one oval.*

- Monthly
- Quarterly
- Annual
- Other: \_\_\_\_\_

### **10. How does your CMO track the usage of musical works by the user?**

*Tick all that apply.*

- The user provides usage reports
- We monitorize the usage by technical means
- We carry out surveys/polls
- Other: \_\_\_\_\_

Background Music Survey

**11. Are distributions to members based on actual use, or are they calculated using proxies?**

*Mark only one oval.*

- Per use
- Based on proxies
- A combination of both
- Other: \_\_\_\_\_

**12. What is the frequency of distribution of this type of usage to your members?**

*Mark only one oval.*

- Monthly
- Quarterly
- Annual
- Other: \_\_\_\_\_

**13. What administration fee do you apply to this type of usage?**

*Mark only one oval.*

- Below 10%
- From 10% to 20%
- Above 20%
- Other: \_\_\_\_\_

**14. Comments**

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**ABC\_DJ Consortium. European Union "Horizon 2020"**



Artist to  
Business to Business  
to Consumer  
Audio Branding System

[www.abcdj.eu](http://www.abcdj.eu)

**PERFORMING RIGHTS (use of background music in**

Background Music Survey

**businesses/venues)**

---

Please skip this section and proceed to the next one if your CMO only manages Mechanical rights.

**15. On which basis are your tariffs calculated?***Tick all that apply.*

- Size / Square meters
- How you play music (background music system, CD, live, etc.)
- Percentage of applicable revenue
- Fixed fee
- Other: \_\_\_\_\_

**16. What is the frequency of billing to the users?***Mark only one oval.*

- Monthly
- Quarterly
- Annual
- Other: \_\_\_\_\_

**17. How does your CMO track the usage of musical works by the user?***Tick all that apply.*

- The user provides usage reports
- We monitorize the usage by technical means
- We carry out surveys/polls
- Other: \_\_\_\_\_

**18. Are distributions to members based on actual use, or are they calculated using proxies?***Mark only one oval.*

- Per use
- Based on proxies
- A combination of both
- Other: \_\_\_\_\_

Background Music Survey

**19. What is the frequency of distribution of this type of usage to your members?**

*Mark only one oval.*

- Monthly
- Quarterly
- Annual
- Other: \_\_\_\_\_

**20. What administration fee do you apply to this type of usage?**

*Mark only one oval.*

- Below 10%
- From 10% to 20%
- Above 20%
- Other: \_\_\_\_\_

**21. Comments**

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**ABC\_DJ Consortium. European Union "Horizon 2020"**



Artist to  
Business to Business  
to Consumer  
Audio Branding System

[www.abcdj.eu](http://www.abcdj.eu)

**MISCELLANY**

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**22. In your country, is it compulsory by law that the rights you control are managed collectively?**

*Mark only one oval.*

- Yes
- No

Background Music Survey

**23. How are works licensed through Creative Commons or copyleft handled?**

*Mark only one oval.*

- Our tariffs include all usage, we don't discriminate between copyrighted and non-copyrighted works
- Our tariffs only include our member's repertoire, the user is exempt to pay for non-copyrighted works
- Other: \_\_\_\_\_

**24. When the rightholder can't be identified, what is the time limit for disposing of the unclaimed amounts?**

*Mark only one oval.*

- Up to 3 years
- Up to 5 years
- Up to 10 years
- Other: \_\_\_\_\_

**25. Once that limit has been met without anyone having claimed those amounts, what are they intended for?**

*Tick all that apply.*

- Distribution
- Promotional activities
- Welfare activities
- Other: \_\_\_\_\_

**26. Comments**

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**Thank you!**

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