



# DISTRIBUTION RULES

for the royalties, collected from Musicautor about the rights, granted to it  
by the authors for management on their behalf and at their expense in  
Republic of Bulgaria

## FIRST CHAPTER

### SECTION I

#### GENERAL PROVISIONS

**Art.1.** MUSICAUTOR in its capacity of society of composers, authors of literary works and musical publishers for collective management of copyrights shall collect royalties, as follows:

1. For broadcasting musical and literary works in a wireless way, including via satellite, transmission and retransmission by electronic communication network;
2. for public performance of musical and literary works;
3. for recording of musical and literary works on audio- and video carriers and for reproduction; distribution, import and export in commercial quantity of such records;
4. for synchronization of musical works with audio-visual works;
5. for performance of musical works, included in dramatic and other theatrical works, circuses and other, when these are not particularly written for them;
6. for use of musical works with commercial-advertising purpose from radio, television, through satellite, transmission or retransmission by electronic communication network;
7. for import or produced in the country non-recorded audio and video cassettes; for reprographic reproduction of works, protected under the Copyrights act;
8. for offering access to unlimited number of persons in a wireless way or through cable or other technical means, to the works or parts of them in a way, allowing ths access to be made from a place and during (specific) time, individually chosen from each of them.

### SECTION II

#### MEMBERSHIP

**Art.2.** Members of MUSICAUTOR may be:

1. authors of musical works /composers/;
2. authors of text to musical work;
3. translators of text to musical work;
4. authors of arrangements of musical works /arrangers/ and authors of arrangement of folk music;
5. /rev./
6. /rev./
7. Musical publishers and sub-publishers;
8. Heirs-at-law of the persons, mentioned in p.1 to p.6.

**Art.3. (1)** By virtue of these rules:

1. **Composer** is a natural person, who has created music.
2. **Author of text** is a natural person, who has created a text related to music.

3. **Translator** is a natural person, who has made the translation of a literary work or of a text to musical work from a foreign language to Bulgarian and vice versa.
4. **Author of arrangement** is a natural person, who processes in a creative way an existing musical work.
5. **Author of arrangement** of folk music is a natural person, who changes or modifies authentic folk music in creative way.
6. /Rev./
7. /Rev./
8. **Musical publisher** is a natural or legal person, who has been given from the author or his heirs-at-law through a publishing contract the right to publish the work through graphic reproduction, as well as the right to allow other persons to perform the work in public and/or to record it on a tangible medium and to distribute the records.
9. **Musical sub-publisher** is a natural or legal person, who has obtained by a contract with musical publisher all or some of the rights, ceded to the latter, for part of the territory, mentioned in the publishing contract.
10. **Heir-at-law** is a person, who has this capacity according to the Heritage act. When the heirs-at-law are more than one, they may authorize in written one of them to represent them in front of the society.
11. **Co-authors** are two or more persons, which create particular work with joint creative efforts.
12. **Warsaw rule:** If the society which makes the allocation of the royalties does not have information about (particular) work, which has been broadcasted/transmitted via wire or performed in public, but any of its original right holders is identified as represented by a sister society – as a member or owner of copyrights, the whole royalty for the work shall be sent to that sister society to make the allocation according to the information, which it has. If the society, which has received the royalties may not allocate them for any reason, it shall be obliged to notify the society, which has sent them, as well as to provide it with documentation about the works, for which it has no right to collect the full amount of the royalties.
13. **Rome rule:** If the society, which makes the allocation of the royalties does not have information about (particular) work, which has been recorded on an audio or video carrier, but any of its initial right holders is identified as represented by a sister society – as a member or owner of copyrights, the whole royalty for the work shall be sent to that sister society. It shall make the allocation according to the information, which it has. If the society, which has received the royalties may not allocate them for any reason, it shall be obliged to notify the society, which has sent them, as well as to provide it with documentation about the works, for which it has no right to collect the full amount of the royalties
14. **UP1 form** is an electronic form, containing a list of works, for which the allocating society does not have enough information in order to make allocation of the royalties. The form is used for

international communication with the sister societies as well as with publishers/sub-publishers of foreign repertoire.

**(2)** There shall not be classified as arrangement or as arrangement of folk music the additions of the common practical symbols to an existing musical work, incl.:

- ▶ Addition of dynamic and agogic signs, shades, ornaments, lines and fingering;
- ▶ Transposition from one tonality in another;
- ▶ Cutting some vocal or instrumental parts;
- ▶ Voice duplication or changes in vocal or instrumental parts;
- ▶ Joining voices in parallel intervals;
- ▶ Corrections of errors in music notations in original script or other similar corrections;
- ▶ Transformation from an out-of-date music notation in a modern one;
- ▶ Variant, at which there are no feature, harmonic, metrorhythmic or texture changes.

**Art.4. (1)** The admission of members of the society shall be made under the order, specified in the Statutes. Upon its admission in the society, each author should have created at least one work, which has been subject of public performance, recording or distribution; and the musical publisher/sub-publisher must have an executed contract with an author for at least one work.

**(2)** /rev./

**(3)** By signing the contract the member declares that he is aware of and accepts the statutes and the rules for allocation of the society, from which arise his following **obligations**:

1. not to participate directly or indirectly in preparing incorrect and/or forged program reports;
2. to fill in correctly the program reports, when he participates as performer or organizer of musical events, the remunerations from which are collected in the society;
3. not to sign contracts, containing preferential conditions for payment for use of his own works in unchanged form with users, which by virtue of their contracts with Musicautor have ceded rights for use of works from the repertoire of the society;
4. to declare in the society any work of him upon his public performance or recording;
5. to guarantee that the declared work does not appear unauthorised change of an already existed work, adoption of someone else's work, or subject of plagiarism;
6. at the moment of admission at the society, the member has to notify about his possible membership in another authors' society as well as to specify the works, the rights for management over which have been ceded to third parties. In the last case the author shall be obliged within the shortest possible term to include these works in the repertoire of Musicautor;
7. not to undertake actions, by which could cause moral and/or material injury to the society and/or to its members.

**Art.5. (1)** In case of violation of any of the obligations, envisaged in art.4, para 3, the Management board shall have the right to impose the following sanctions:

1. financial sanction in amount of twenty Bulgarian leva up to one hundred Bulgarian leva, which shall be deducted from the subsequent royalties of the author. The collected amounts shall be cumulated in reserve;
2. exclusion from the entitlement to receive amounts under the funds of the society;
3. (rev. GM – 20.05.2019).

**(2)** The Management board shall take decision under p.3 with majority of 2/3 of the attending members, after hearing the author or after it has requested his written explanations. The decisions of the Management board shall be announced on the next General meeting of the society.

### **SECTION III**

#### **REGISTRATION OF THE WORKS**

**Art.6. (1)** In view of facilitating the collection and allocation of the royalties, each member of Musicautor shall register his works with the society. For that purpose the society shall provide registration forms-declarations, described below:

1. a form for registration of musical work;
2. a form for registration of new or already existing musical works, used for the needs of advertisements, jingles, umbrellas and other types of background music (i.e. of the musical background of radio or audiovisual broadcast). Together with this form, each member of Musicautor should submit also a declaration for the ceded rights according to the contract with the producer or the particular contract with the producer for creation and recording of that music (if necessary – with erased information), as well as a record of the audiovisual clip and/or its audio record. Insofar as he has such information and has a right to dispose of it, the author (publisher or sub-publisher) may cooperate to Musicautor for submission of reporting information, containing data regarding the period of broadcast as well as the number of the broadcasts and/or certified copy from a media plan of the broadcasts.
3. a form for film music. Together with this form, each member of Musicautor may submit also a declaration about the ceded rights according to the contract with the producer or the particular contract with the film producer (if necessary – with erased confidential information).

**(2)** The registration of works under art. 6, para 1, i. 2 and 3 should be made until completion of the allocation for the respective type of use in accordance with these Rules, otherwise the provision of art. 6, para 7 shall apply.

**(3)** The submitted registration forms-declarations shall be stored in the archives of the society. If registration forms-declarations are accompanied by documents, determined as confidential from the person, who has submitted them, then the society shall be obliged to treat this information as confidential, not to provide it to third parties and not to use it for other purposes except for the allocation of the collected revenues from usage. MUSICAUTOR shall be obliged to treat as confidential the information about the shares of the particular right holders as well as the information regarding the authorship of particular work in case of explicit written willing of the author about that."

**(4)** The musical publisher/sub-publisher shall submit to the society a certified copy of his publishing/sub-publishing contracts not later than one month after their execution.

**(5)** Unless there is an evidence to the contrary, as authors of the registered works shall be deemed the persons, specified as such in the registration form - declaration for registration of the works. The declarer shall be responsible about the fidelity of the contents of the declaration, which he signs.

**(6)** Upon second registration of an already registered work, concerning change in its genre, co-authorship, existence of a publishing contract and other circumstances, which would lead to change in the share interest of the authors in the allocation, the registration-form should be accompanied by evidence, that clearly shows the reason for the second registration. The declaration should contain the signatures of all right holders, whose shares are subject to change or a duly signed publishing contract.

**(7)** Works for the right holders (composers, text authors and musical publishers) of which Musicautor does not have enough information at the moment of completion of particular allocation or for which there have not been received from the right holders declarations, media plans, contracts with producers or third parties regarding obligations for payment of royalties, but for which in the program reports of the users/respectively the reports from the monitoring there is stated a title, a performer and rotations /duration, shall be treated as non-identified and shall be allocated. MUSICAUTOR shall take the care of the good merchant for identification of the right holders in its own and/or international data bases WID, CIS-Net, implementation of Warsaw rule, Rome rule and sending the electronic form UP-1. If the works could not be identified within five-year period after completion of the allocation, in which they are entered/registered, the amounts generated for them shall be equally put in the funds "Social welfare of the members of the society" and "Promotion and development of the Bulgarian cultural heritage and creativity". Prior to allocation of the amounts in the funds, there shall be deducted 10 /ten/ % of them as reserve, which shall be used in case of claims from right holders for making corrections in the allocation.

**(8)** In case of missing reports from users, reports from monitoring or any other documents (contracts, media plans, etc.) sufficient for certifying the respective use of musical work, it shall be deemed that the work has not been used.

**(9)** Registration of works (adaptations and arrangement), created on the basis of already existing works (original works), shall be made upon observance of the following rules:

1. when the work is created on the basis of original already existing work, which is not subject of copyrights protection, the author of the adapted work shall be obliged to state in his registration the title and authors of the initial work.
2. when the work is created on the basis of original already existing work, which is subject of copyrights protection, the author of the adaptation/arrangement or the adapted work shall be obliged to present the written consent of the author/authors of the initial original work.

**(10)** The shares of the right holders in the newly-created work shall be determined in accordance with the rules for allocation of the society, except if otherwise provided and shall be paid only if there is a proven usage of the adapted work.

**(11)** Upon registration of author's music, created on a folklore basis, the registration form-declaration should be accompanied by evidence for authorship.

**(12)** (rev. GM – 20.05.2019)

**(13)** Registration forms-declarations for registration, which do not contain all components, necessary for registration of the works in the data base of the society, shall not be deemed valid and shall not be accepted.

**(14)** Upon request from the society, the authors shall be obliged to present any additional information, which could serve as an evidence about the authorship of the works, declared by them. In cases of executed contracts with musical publishers, the provision of copies of them shall be mandatory.

**(15)** In relation to the provision of art. 6, para 7 MUSICAUTOR shall send to the right holders once per year an updated list of the non-identified works as follows:

- a) to the foreign societies and its members – sub-publishers/publishers of foreign repertoire, a list of the non-identified works in an electronic form UP-1,
- b) to its members – authors and publishers of Bulgarian repertoire -through a link to the list of the non-identified works, placed on the internet site of the society.

**(16)** In case of occurrence of circumstances, causing a change to be made in the registration of particular work and the society is notified about that, the respective changes shall have effect towards MUSICAUTOR as follows:

a) for allocations, which are completed at the date, on which MUSICAUTOR has been informed about the occurrence of the circumstance - as from the date of becoming aware of the circumstance, no matter when it has occurred.

b) for allocations, which are not completed at the date, on which MUSICAUTOR has been informed about the occurrence of the circumstance:

1. from the date of occurrence of the circumstance - when this is possible in practice.

2. In the cases, not included in p. 1:

- ▶ from 01 January of the year, in which MUSICAUTOR is informed about its occurrence, if it has been informed in the first half of the year
- ▶ from 01 January of the year, following the year, in which MUSICAUTOR has been informed about its occurrence, if it has been informed in the second half of the year

## **SECOND CHAPTER**

### **SECTION IV**

#### **DETERMINATION OF THE SHARES FOR THE REMUNERATIONS, COLLECTED FOR ONE WORK**

**Art.7.** The co-authors of one work may freely make agreement between them about the share participation in the allocation of the royalties, received from the use of the work.

**Art.8.** When an agreement is reached by virtue of the precedent article, the co-authors must submit it (notify about it) upon the registration of the work at MUSICAUTOR.

**(1)** (Rev. GM - 20.05.2019) The shares between authors of one work in case of no agreement between them shall be determined as follows:

#### **A. Musical works**

<b>RIGHTHOLDERS</b>	<b>MECHANICAL DISTRIBUTION MUSICAL WORKS</b>	<b>PUBLIC PERFORMANCE</b>
Composer	12/12 - 100.00%	12/12 - 100.00%
Composer	10/12 - 83.33%	10/12 - 83.33%
Author of arrangement	2/12 - 16.67%	2/12 - 16.67%

Author of arrangement of folk music	6/12 – 50.00% 6/12 – according to art.11a	6/12 – 50.00%
Composer /unprotected/ Author of arrangement	- 12/12 – 100%	6/12 – 50.00% 6/12 – 50.00%
Composer Author of text	8/12 – 66.67% 4/12 – 33.33%	8/12 – 66.67% 4/12 – 33.33%
Composer Author of text Author of arrangement	6/12 – 50.00% 4/12 – 33.33% 2/12 – 16.67%	6/12 – 50.00% 4/12 – 33.33% 2/12 – 16.67%
Composer Foreign author of text Author of Bulgarian text	8/12 – 66.66% 2/12 – 16.67% 2/12 – 16.67%	8/12 – 66.66% 2/12 – 16.67% 2/12 – 16.67%
Composer Foreign author of text Author of Bulgarian text Author of arrangement	6/12 – 50.00% 2/12 – 16.66% 2/12 – 16.67% 2/12 – 16.67%	6/12 – 50.00% 2/12 – 16.66% 2/12 – 16.67% 2/12 – 16.67%
Composer /unprotected/ Author of text	- 12/12 – 100%	8/12 – 66.67% 4/12 – 33.33%
Composer /unprotected/ Author of text Author of arrangement	- 6/12 – 50.00% 6/12 – 50.00%	6/12 – 50.00% 4/12 – 33.33% 2/12 – 16.67%
Composer /unprotected/ Foreign author of text Author of Bulgarian text	- 6/12 – 50.00% 6/12 – 50.00%	8/12 – 66.67% 2/12 – 16.66% 2/12 – 16.67%
Composer /unprotected/ Foreign author of text Author of Bulgarian text Author of arrangement	- 4/12 – 33.33% 4/12 – 33.33% 4/12 – 33.34%	6/12 – 50.00% 2/12 – 16.66% 2/12 – 16.66% 2/12 – 16.67%
Composer /unprotected/ Foreign author of text /unprotected/ Author of Bulgarian text	- - 12/12 – 100.00%	8/12 – 66.67% 2/12 – 16.66% 2/12 – 16.67%
Composer /unprotected/ Foreign author of text /unprotected/ Author of Bulgarian text Author of arrangement	- - 6/12 – 50.00% 6/12 – 50.00%	6/12 – 50.00% 2/12 – 16.66% 2/12 – 16.67% 2/12 – 16.67%
Composer /unprotected/ Foreign author of text /unprotected/ Author of Bulgarian text /unprotected/ Author of arrangement	- - - 12/12 – 100.00%	4/12 – 33.33% 2/12 – 16.67% 2/12 – 16.67% 4/12 – 33.33%

Composer	12/12 – 100.00%	8/12 – 66.67%
Author of text /unprotected/	-	4/12 – 33.33%
Composer	8/12 – 66.67%	6/12 – 50.00%
Author of text /unprotected/	-	4/12 – 33.33%
Author of arrangement	4/12 – 33.33%	2/12 – 16.67%
Composer	8/12 – 66.67%	8/12 – 66.67%
Foreign author of text /unprotected/	-	2/12 – 16.66%
Author of Bulgarian text	4/12 – 33.33%	2/12 – 16.67%
Composer	6/12 – 50.00%	6/12 – 50.00%
Foreign author of text /unprotected/	-	2/12 – 16.67%
Author of Bulgarian text	4/12 – 33.33%	2/12 – 16.66%
Author of arrangement	2/12 – 16.67%	2/12 – 16.67%

(new, GM – 20.05.2019) Note: For „public performances“ shall be deemed all ways of use, specified in art. 3, para 1 of p. 1.1. to p. 4 without p. 2 of the Statutes of the society.

**(2)** If the authors of music, text or arrangement are more than one, the respective shares for music, text, arrangement shall be allocated on an equal basis.

**Art.9.** After submission of a certified copy of the publishing/sub-publishing contracts, Musicautor shall register the works in accordance with the shares, specified in the publishing/sub-publishing contracts.

**Art.10.** Publisher and his possible sub-publishers may not have a common share, larger than 50% of the whole royalty for particular work.

**Art.11.** (Amend. GM – 20.05.2019) When the shares for allocation are not explicitly specified in the publishing contracts and all right holders have executed publishing contracts, it shall apply the following allocation schedule:

RIGHTHOLDERS AND MUSIC PUBLISHERS	MECHANICAL DISTRIBUTION MUSICAL WORKS	PUBLIC PERFORMANCE
Composer	66.67%	66.67%
Musical publisher	33.33%	33.33%
Composer	55.56%	55.56%
Author of arrangement	11.11%	11.11%
Musical publisher	33.33%	33.33%
Author of arrangement of folk music	33.34%	33.34%
Musical publisher	16.67%	16.67%

Composer	33.34%	33.34%
Author of text	33.33%	33.33%
Musical publisher	33.33%	33.33%
Composer	33.34%	33.34%
Author of text	22.22%	22.22%
Author of arrangement	11.11%	11.11%
Musical publisher	33.33%	33.33%
Composer	44.45%	44.45%
Foreign author of text	11.11%	11.11%
Author of Bulgarian text	11.11%	11.11%
Musical publisher	33.33%	33.33%
Composer	33.34%	33.34%
Foreign author of text	11.11%	11.11%
Author of Bulgarian text	11.11%	11.11%
Author of arrangement	11.11%	11.11%
Musical publisher	33.33%	33.33%
Composer /unprotected/	-	33.33%
Author of arrangement	50.00%	33.33%
Musical publisher	50.00%	33.33%
Composer /unprotected/	-	44.45%
Author of text	50.00%	22.22%
Musical publisher	50.00%	33.33%
Composer /unprotected/	-	33.34%
Author of text	33.34%	22.22%
Author of arrangement	16.66%	11.11%
Musical publisher	50.00%	33.33%
Composer /unprotected/	-	44.45%
Foreign author of text	25.00%	11.11%
Author of Bulgarian text	25.00%	11.11%
Musical publisher	50.00%	33.33%
Composer /unprotected/	-	33.34%
Foreign author of text	22.22%	11.11%
Author of Bulgarian text	22.22%	11.11%
Author of arrangement	22.22%	11.11%
Musical publisher	33.34%	33.33%
Composer /unprotected/	-	33.34%
Foreign author of text /unprotected/	-	11.11%
Author of Bulgarian text	50.00%	11.11%
Musical publisher	50.00%	33.34%

Composer /unprotected/	-	33.34%
Foreign author of text /unprotected/	-	11.11%
Author of Bulgarian text	25.00%	11.11%
Author of arrangement	25.00%	11.11%
Musical publisher	50.00%	33.33%
Composer /unprotected/	-	22.22%
Foreign author of text /unprotected/	-	11.11%
Author of Bulgarian text /unprotected/	-	11.11%
Author of arrangement	50.00%	22.23%
Musical publisher	50.00%	33.33%
Composer	66.67%	44.45%
Author of text /unprotected/	-	22.22%
Musical publisher	33.33%	33.33%
Composer	50.00%	33.34%
Author of text /unprotected/	-	22.22%
Author of arrangement	16.67%	11.11%
Musical publisher	33.33%	33.33%
Composer	50.00%	33.34%
Author of text /unprotected/	-	11.11%
Author of Bulgarian text	16.67%	11.11%
Musical publisher	33.33%	33.34%
Composer	33.33%	33.34%
Foreign author of text /unprotected/	-	11.11%
Author of Bulgarian text	16.67%	11.11%
Author of arrangement	16.67%	11.11%
Musical publisher	33.33%	33.33%

(new, GM – 20.05.2019) Note: For „public performances“ shall be deemed all ways of use, specified in art. 3, para 1 of p. 1.1. to p. 4 without p. 2 of the Statutes of the society.

**Art.11a.** The shares of authors beyond the statutory period of protection in works with partially expired rights shall be allocated between the Bulgarian and foreign right holders in accordance with the equality principle.

Musicautor shall apply its key for allocation of the royalties in the following cases:

- ▶ when any of the right holders /composer, author or original publisher/ of the used work is a member of the society.
- ▶ when the information, referring to the shares of the used work in the documentation of the foreign societies is contradictable.

**Art.11b.** Musicautor shall apply the key for allocation of the sister societies in the cases when in the used work the right holders are not members of the society, in accordance with the information, contained in the international data bases and the documentation of the sister societies.

### **THIRD CHAPTER**

#### **SECTION V**

#### **ALLOCATION OF THE ROYALTIES, COLLECTED FROM USE OF THE WORKS ON THE TERRITORY OF REPUBLIC OF BULGARIA**

**Art.12. (1)** The royalties of the authors for the different types of use of their works shall be determined under rules, based on the duration of the performed, broadcasted or recorded on sound- and video carriers works, calculated in seconds and/or minutes.

**(2)** (Amend. GM – 20.05.2019) If the duration of the work is not entered in the program reports, the society shall take into account the specified duration in the author's registration or in the international fiche for the work. If there is no registration or international fiche, there shall be used other sources of information for ascertaining the duration of the work as monitoring, audio - or video records in musical platforms, publications in the internet space and etc. It shall be taken into consideration the most relevant information for the duration, as far as type of use is concerned. If it is not possible to be ascertained the real duration, there shall apply official duration of 3 minutes and 30 seconds.

**Art.13.** The allocation of the royalties, after deduction of the costs for the activity on collective rights management and/or social and cultural funds shall be made between the right holders according to the present rules for allocation and the statutes of the society, regardless of the fact whether they are members of the society or not. The society shall settle its relations with right holders, who are not its members, in relation to the costs for its activity on collective rights management and for social and/or cultural funds in the same way, as (it makes this) with its members. The shares of such persons shall be determined in the same way as (the shares of) the members of the society and their royalties shall be paid under the same conditions.

**Art.14. (1)** All amounts, collected from the users by virtue of the contracts, executed with them, shall be allocated, according to the type of use of the works in the following classes for allocation:

1. Class radio and television broadcasting in a wireless way, by satellite, transmission and re-transmission by electronic communication network.
2. Class public performance
3. Class production, distribution, import and export in commercial quantity of audio- and video carriers.
4. Class compensation payments from blank audio -and video carriers and reprography.
5. Class "New rights" /multimedia CD, DVD, Internet and etc./.

(2) All interests, received over the amounts, collected from users by virtue of the contracts, executed with them, shall be allocated proportionally in the respective classes except for the interests under current accounts, which pursuant to art. 34, para 1 shall be put into reserve.

#### **Art.15. CLASS RADIO AND TELEVISION.**

(1) The amounts, collected from Musicautor for broadcasting the works on radio and television shall be allocated in eight sub-classes. The allocation of the royalties shall be made individually for each sub-class, as follows:

1. Sub-class radio-broadcasts on BNR;
2. Sub-class television broadcasts on BNT;
3. Sub-class radio broadcasts on public and commercial terrestrial and cable radio stations with national and regional cover, which pay royalties per year in amount exceeding BGN 2 500 /two thousand and five hundred/ net, i.e after deducting VAT and the deductions, envisaged in the present rules. The allocation shall be made individually for each radio station, based on the amount paid by it and the submitted report.
4. Sub-class radio broadcasts on public and commercial terrestrial and cable radio stations with national and regional cover, which pay royalties per year in amount less than BGN 2 500 /two thousand and five hundred/ net, i.e after deducting VAT and the deductions, envisaged in the present rules. The allocation shall be made based on the reports of the radio stations, which fall under p. 3 and shall be made generally for the whole sub-class on the basis of the total of the paid amount from all radio stations, falling within this sub-class.
5. Sub-class television broadcasts on public and commercial terrestrial cable and satellite televisions with national and regional cover and terrestrial televisions with regional cover, which pay annually royalties exceeding BGN 5 000 /five thousand/ net, i.e. after deduction of VAT and the deductions, envisaged in the present rules. The allocation shall be made for each television individually, based on the paid amount from it and the submitted report.
6. Sub-class television broadcasts on public and commercial cable and satellite televisions with national and regional cover and terrestrial televisions with regional cover, which pay annually royalties below BGN 5 000 /five thousand/ net, i.e. after deduction of VAT and the deductions, envisaged in the present rules. The allocation shall be made on the basis of the reports of the televisions, which fall under p. 5 and shall be made generally for the whole sub-class on the basis of the total of the paid amount from all televisions, falling under this sub-class.
7. Sub-class television broadcasts on public and commercial terrestrial televisions with national cover, which pay annually royalties exceeding BGN 5 000 /five thousand/ net, i.e. after deduction of VAT and the deductions, envisaged in the present rules. The allocation shall be made individually for each television, based on the amount, paid by it and the submitted report.

8. Sub-class television broadcasts on public and commercial terrestrial televisions with national cover, which pay annually royalties below BGN 5 000 /five thousand/ net, i.e. after deduction of VAT and the deductions, envisaged in the present rules. The allocation shall be made on the basis of the reports of the televisions, falling within p. 7 and shall be made generally for the whole sub-class on the basis of the total of the paid amount from all televisions, falling under this sub-class.

**(2)** Except the cases under p. 4 and p. 6, the amounts in each sub-class shall be allocated for each television or radio individually, based on the reports of the respective user and the paid amount. If the sent report is incomplete or there is incompliance between it and the report of the organization, rendering services on tracing the media broadcasts /monitoring/, Musicautor shall have the right to supplement the missing information in the report of the user with information from the report of the monitoring. If the user has not sent a report, for allocation shall be used the report of the monitoring, except if there are circumstances related to it, specified in art. 20.

**(3)** The allocation of the amounts for royalties shall be made depending on the specified duration of the works in the program reports, provided by the broadcasting organizations /respectively the reports from the monitoring, depending on which of the two is applicable, according to the provisions of art.15, para 2.

**(4)** Musicautor shall pay royalties for broadcasted parts from musical-theatrical works with duration up to twenty minutes.

**(5)** /rev./

**(6)** /rev./

**(7)** In the cases, when several televisions are part of a television media group of one legal entity, which pays to MUSICAUTOR a common remuneration for all televisions, the allocation shall be made in the following way:

1. MUSICAUTOR shall require from the user information about the correlation of the individual programs, part of the media group. On the basis of the information shall be determined the amount for allocation, which refer to any television, as it may not be less than the minimum remuneration, owed to MUSICAUTOR according to the tariff for televisions, broadcasting by cable and satellite.

2. If the user does not provide (any) information, MUSICAUTOR shall divide the televisions within the frameworks of the group conditionally to main /major/ and secondary.

3. For the secondary televisions – no matter whether they are cable/satellite or terrestrial, for allocation shall refer amounts, equal to the minimum remuneration, owed to MUSICAUTOR according to the tariff for televisions, broadcasting by cable and satellite.

4. For the main television shall be allocated the remaining amount as for main shall be considered this television, which is declared by the user in front of MUSICAUTOR as such and if the user refuses to provide information about this, the Management board shall take decision which television is main on the basis of publications in internet, newspapers and the like.

5. In case in the media group there is no main television, the remunerations, paid by it, shall be generally allocated on the basis of the reports of the televisions, falling within the group.

**(8)** In case the total of the remunerations, paid for the broadcasting from Bulgarian territory/transmission by cable on Bulgarian territory of particular program and from its re-transmission exceeds the amount over which is made an allocation, based on report, specified in art. 15, para 1, p. 3, p. 5 and p. 7, the total of the collected remunerations shall be allocated on the basis of the report of the user, regardless of the fact that if taking into account only the remunerations for broadcasting/transmission on cable of the program, these would not be allocated on the basis of its report.

**(9)** In the cases, when particular user pays remunerations exceeding the threshold for allocation, specified in art. 15, para 1, p. 3, p. 5 or p. 7, but it has not provided a report about the used works and there is no report from the monitoring about this, the paid remunerations shall be retained for a period of 1 /one/ year. If within this period the user has sent the missing report, the amount shall be allocated on its basis. If the user has not sent a report within the one-year period, the amount shall be allocated according to art. 15, para 1, p. 4 and p. 6 or shall be added to the sub-class under p. 7 on the basis of the reports, referring to the year, in which has been made the usage.

**(10)** The remunerations, paid from users after completion of the allocation for the particular class/sub-class, for which they refer, shall be allocated in the following way:

1. The remunerations, paid from users after completion of the allocation for particular class/sub-class, to which they refer, shall be allocated with the next allocation from the same class /sub-class. The Management board may take decision for their immediate allocation depending on the particular case and the paid amount.

2. If there has to be made additional payment and the amount is below the threshold for allocation on the basis of report, specified in art. 15, para 1, p. 3, p. 5 and p. 7, but if the remuneration, paid till the moment of the additional payment from the respective user for the same period, has been allocated on the basis of report, the additional amount shall be allocated also on the basis of the same report.

## **Art.16. CLASS PUBLIC PERFORMANCE.**

**(1)** The amounts collected from public performance of music shall be allocated in the following sub-classes:

1. Sub-class public performance of music during concerts and use of music in other public events. The allocation shall be made on the basis of the program reports, provided from the users. The amounts shall be allocated only between the performed authors in each individual program, proportionally to the duration of the performed works. In the cases when the users do not submit a report for the used works within the terms, envisaged in the contracts executed by them, the collected amounts shall be allocated on the basis of „official setlist“. „Official setlist“ shall be made by employees of MUSICAUTOR on the basis of information from right holders, incl. foreign societies for collective management of copyrights, publications in internet, audio/video record of the respective concert or other sources. A protocol shall be drawn up for making „official setlist“ and there shall be enclosed the materials, on the basis of which is drawn the protocol. The protocol shall be signed by a legal adviser of the society, an employee in charge for concert licensing and an employee from “Allocation” department, designated from the Management board.
2. Sub-class public performance of music in hotels, catering facilities and places for entertainment, (use of) public address system in commercial shopping centres and stores, air planes, trains, buses and other transport vehicles.
3. Sub-class film projections in the cinema halls. The allocation shall be made on the basis of the documentation for the music to each film, provided from the Bulgarian authors and producers or music-sheets, submitted from the foreign authors’ societies. The way of allocation shall be clarified according to the international standards.
4. Sub-class performance of musical works, included in dramatic and other theatrical works, circuses and other, when these are not particularly written for them. The allocation shall be made on the basis of the documentation about the used musical works in the respective dramatic or theatrical work, provided from the authors, the musical publishers and sub-publishers and/or from the organizers of the respective dramatical or theatrical work and/or performance.

**(2)** The amounts under p.1 and p. 2 shall be allocated as follows:

- a/ the remunerations for works, for which were submitted program reports or in the cases, in which it was established an official setlist shall be allocated on the basis of these reports/official setlist.
- b/ (amend. GM – 20.05.2019) The remunerations, paid without program reports or for which has not been established an official setlist shall be allocated according to the source of the remuneration in the following categories:

### **1. Hotels and other similar:**

- ▶ 30% shall refer to sub-class television broadcasts on BNT;

- ▶ 30% shall refer to sub-class television broadcasts on public and commercial terrestrial televisions with national cover under art. 15, para 1, p.8.
- ▶ 40% shall refer to sub-class television broadcasts on public and commercial cable televisions with national and regional cover and terrestrial televisions with regional cover under art. 15, para 1, p. 6.

## **2. Catering facilities and places for entertainment:**

- ▶ 25% shall refer to sub-class radio broadcasts on BNR;
- ▶ 15% shall refer to sub-class radio broadcasts on public and commercial terrestrial and cable radio stations with national and regional cover under art. 15, para 1, p. 4;
- ▶ 15% shall refer to sub-class television broadcasts on BNT;
- ▶ 15% shall refer to sub-class television broadcasts on public and commercial cable televisions with national and regional cover and terrestrial televisions with regional cover under art. 15, para 1, p. 6;
- ▶ 10% shall refer to sub-class television broadcasts on public and commercial terrestrial televisions with national cover, under art. 15, para 1, p. 8;
- ▶ 15% shall refer to sub-class public performance of music during concerts and use of music in other public events under art. 16, para 1, p. 1;
- ▶ 5% shall be allocated based on the submitted program reports for the respective year from companies, which provide the "audio marketing" service.

## **3. Commercial shopping centres and other public places:**

- ▶ 95% shall refer to sub-class radio broadcasts on BNR and sub-class radio broadcasts on public and commercial terrestrial and cable radio stations with national and regional cover under art. 15, para 1, p. 4 in correlation respectively 30 % to 70 %;
- ▶ 5% shall be allocated on the basis of the submitted program reports for the respective year from companies, which provide the "audio marketing" service.

Note: the reports from the audio marketing companies shall be taken into account upon the allocation in the categories under p. 2. and p. 3, provided that the shopping centres/places, in which is used public address system with the audio marketing service shall generate minimum 5 % of the amounts in the sub-class under para 1, p. 2 for the respective year. If the condition under the precedent sentence is not fulfilled, the rate from the proceeds, envisaged for audio marketing in the categories under p. 2. and p. 3 shall be allocated proportionally between the other positions in the respective category.

## **4. Concerts and other public events, airplanes, trains, buses and other transport vehicles:**

- ▶ 30% shall refer to sub-class radio broadcasts on BNR;
- ▶ 20% shall refer to sub-class radio broadcasts on public and commercial terrestrial and cable

radio stations with national and regional cover under art. 15, para 1, p. 4;

- ▶ 30% shall refer to sub-class television broadcasts on BNT;
- ▶ 10% shall refer to sub-class television broadcasts on public and commercial cable televisions with national and regional cover and terrestrial televisions with regional cover under art. 15, para 1, p. 6.
- ▶ 10% shall refer to sub-class television broadcasts on public and commercial terrestrial televisions with national cover under art. 15, para 1, p.7.

**(3)** In the cases under letter „b“ of para 2, when more than half of the media, which participate in particular sub-class do not submit a report of the monitoring about the works, used by them, it shall be proceeded in the following way:

1. It shall be determined the share of each of the media, which has not submitted a report, compared to the others from the sub-class, which participate in the allocation, as taking into account the correlation of its musical contents about the precedent year, compared to the total annual musical content of all media from the respective sub-class. If this is inapplicable, there shall be determined equal shares for the different media.
2. For each media without report shall be allocated an amount, corresponding to its share, specified under the precedent point.
3. The allocated amount shall be retained for a period of 1 /one/ year. If within this period the user has sent the missing report, the amount shall be allocated based on it. If the user has not sent a report, the amount shall be allocated in the respective sub-class according to art. 15, para 1, p. 4 and p. 6 or shall be added to the sub-class under p. 7 on the basis of the reports referring to the year, in which the usage has been made.

#### **Art.17. CLASS PRODUCTION, DISTRIBUTION, IMPORT AND EXPORT IN COMMERCIAL QUANTITY AND RENTAL OF AUDIO- AND VIDEO CARRIERS.**

**(1)** The allocation shall be made for each sound- and video carrier individually, on the basis of the duration of the works, only between the participating authors in each carrier.

**(2)** The collected remunerations for mechanical reproduction, made from DJ shall be added to the remunerations, collected for public performance in catering facilities, hotels and stores and shall be allocated in the same way.

**Art.17a. (1)** The amounts, collected under contract with a user for blank licensing of musical and literary works under the form of audio carriers shall be allocated by name between the right holders, included in each particular album, if the total amount, reported from the user about this album

within the frameworks of one-year period from 01.07 (first of July) of the precedent year till 31.06 (thirty first of June) of the current year is equal to or exceeds BGN 10 exclusive VAT.

**(2)** The royalties for albums, for which the user has reported a total amount below BGN 10 exclusive VAT per album about the one-year period, specified in para 1, shall appear a balance. From this balance shall be allocated an amount, which to be recovered to the user for the remuneration, paid by it for works in the balance, which are not represented by MUSICAUTOR. The amount for recovery shall be determined by applying a rate over the balance, which rate is calculated on the basis of the correlation of the duration of works, which are not represented by MUSICAUTOR, compared to the total duration of all works, included in the allocated albums of the user for the specified one-year period.

**(3)** The amount, received after the allocation of the amount for recovery under para 2, shall be re-allocated between the already allocated albums from the reports of the user about the one-year period, specified in para 1, in proportion to the amounts, allocated for them.

**(4)** The provisions of para 1-3 shall not apply to reports, in which the total number of lines do not exceed 150 lines for a three-month period.

**Art.18. CLASS COMPENSATION REMUNERATIONS FROM BLANK AUDIO- AND VIDEO CARRIERS AND REPROGRAPHY** (amend. GM – 20.05.2019).

The amounts from blank carriers must be allocated under the order of and in the correlations, specified in art. 16, b. b), p. 4 of the rules, i.e. as remunerations, received without program reports.

**Art.19. CLASS „NEW RIGHTS“.**

The amounts, collected from offering in a wireless way or by cable or other technical means, of an access for unlimited number of persons to the works or parts of them in a way, allowing this access to be made from a place and in a (particular) time, chosen individually by each of them, the amounts from Internet radios and televisions as well as the amounts, collected for „music on hold“, shall be allocated in the following sub-classes:

1. (Amend. GM – 20.05.2019) Sub-class “Mobile phone melodies”, written down in a form, which allows to be uploaded on a computer server and providing the user with an access to them in order to be stored on the memory of a mobile phone. The amounts shall be allocated by name, on the basis of the reports of the respective user, according to the number of the sales of each individual melody for mobile phone. 25% of the amounts shall be allocated according to the share allocation,

specified in section IV of these rules, implemented upon public performance of the works. 75% of the amounts shall be allocated according to the share allocation, specified in section IV of these rules, implemented upon reproduction and distribution of musical works.

2. Sub-class "Internet radios". The amounts shall be allocated within the sub-class for each radio individually, by name and on the basis of the reports from the respective user, according to the duration, specified in them.

3. Sub-class "Internet radios", for which have not been submitted reports. If a user has not submitted a report for use and there is no report of the monitoring about them, the allocation shall be made generally for the whole sub-class, as the total of the paid amount from all radios in this sub-class shall be allocated on the basis of the reports under p. 2.

4. Sub-class "Internet televisions". The amounts shall be allocated within the sub-class, for each television individually, by name and on the basis of the reports of the respective user, according to the duration, specified in them.

5. Sub-class "Internet televisions", for which have not been submitted reports. If a user has not submitted a report for use and there is no report of the monitoring about this, the allocation shall be made generally for the whole sub-class, as the total of the paid amount from all televisions shall be allocated based on the reports under p. 4.

6. (Amend. GM – 20.05.2019) Sub-class "Offering access to musical works through Internet or other similar network" at which the musical works may be perceived by the end user by ear and/or visually, with no option to be downloaded and recorded on the user's computer. The amounts shall be allocated within the sub-class individually for each user, by name and based on the submitted reports according to the duration, indicated in them. 75% of the amounts shall be allocated according to the allocation of shares specified in section IV of these rules, implemented upon public performance of the works. 25% of the amounts shall be allocated according to the allocation of shares specified in section IV of these rules, implemented upon reproduction and distribution of musical works. As far as it is concerned offering of access to musical works as part of film/polythematic video services on request (except with services for video sharing), 50% of the amounts shall be allocated according to the allocation of shares, specified in section IV of these rules, implemented upon public performance of the works and 50% of the amounts shall be allocated according to the allocation of shares, specified in section IV of these rules, implemented in reproduction and distribution of musical works."

7. Sub-class "Offering access to musical works through Internet or other similar network", at which the musical works may be perceived by the end user by ear and/or visually with no option to be downloaded and recorded on the user's computer, for which there are no reports submitted. If a user has not submitted a report for use and there is no report of the monitoring about that, the allocation shall be made generally for the whole sub-class as the total of the paid amount from all users in this sub-class shall be allocated based on the reports under p. 6.

8. (Amend. GM – 20.05.2019) Sub-class "Offering access to musical works through Internet or other similar network", at which the musical works may be perceived by the end user by ear and/or visually and at the same time or immediately after this the works can be downloaded and recorded on the user's computer, with an opportunity for their further reproduction on sound- or video carriers. The amounts shall be allocated by name based on the reports from the respective user according to the number of the sales of particular musical work. 75% of the amounts shall be allocated according to the allocation of shares, specified in section IV of these rules, implemented upon reproduction and distribution of musical works. 25% of the amounts shall be allocated according to the allocation of shares, specified in section IV of these rules, implemented upon public performance of the works.

9. (Amend. GM – 20.05.2019) sub-class "Music on hold" – musical and literary works, related to music, which are heard while the clients of the user are waiting connection with an operator. The amounts shall be allocated by name, based on the reports of the respective user. 25% of the amounts shall be allocated according to the allocation of shares, specified in section IV of these rules, implemented upon public performance of the works. 75% of the amounts shall be allocated according to the allocation of shares, specified in section IV of these rules, implemented upon reproduction and distribution of musical works.

#### **Art.19a. CLASS „RETRANSMISSION BY ELECTRONIC COMMUNICATION NETWORK“.**

**(1)** The allocation of the remuneration for programs, broadcasted from Bulgarian territory, shall be made as these sums are added to the sub-class, in which are allocated the remunerations from the respective program.

**(2)** If for the broadcast of particular program are not collected remunerations from Musicautor or the collected remunerations are not allocated under a report according to the rules of art. 15, para 1, p. 4, p. 6 and p. 8, the paid remunerations for re-transmission of the program shall refer as follows:

- ▶ to the sub-class under art. 15, para 1, p. 4 – for radio programs,
- ▶ to the sub-class under art. 15, para 1, p. 6 – for cable and satellite television programs with national and regional cover and terrestrial television programs with regional cover
- ▶ to the sub-class under p. 8 – for terrestrial televisions with national cover.

**(3)** The remunerations for programs, broadcasted from a territory, different from Bulgaria, shall be sent for allocation to the society in the country, from which is broadcasted the program as 15% of the net amount for allocation shall be allocated for sub-publishers - members of Musicautor. The amount received shall be allocated proportionally based on the remunerations, allocated to the sub-publishers during the precedent year.

**(4)** The allocation shall be made depending on the type of the retransmitted program by applying the following coefficient:

PROGRAM TYPE	COEFFICIENT
National terrestrial television	1,8
Music	1
Polythematic/film	0,8
Information/sport	0,28
Radio program	0,12

**Art.19b.** (new, GM – 20.05.2019) The paid compensations for illegal use of works shall be allocated as the amounts shall be added to the royalties in the respective class/sub-class, according to the type of the made use and depending on the rules in this class/sub-class. Compensations for illegal radio or television broadcasting shall be added to the royalties under art. 15, para 1, p. 4, p. 6 or p. 8 of the rules. Compensations for illegal public performance on hotels, catering facilities and places for entertainment, (use of) public address system in commercial shopping centres and stores, air planes, trains, buses and other transport vehicles shall be added to the royalties under art. 16, para 2, b. b) of the rules. The compensations shall be allocated in the allocation, following the payment, after deduction of administrative fee in amount, equal to the deduction in the respective class/sub-class and contribution for funds, where applicable.

## SECTION VI

### PROGRAM REPORTS

**Art.20. (1)** The allocation of the royalties shall be made according to program reports, provided by the users/respectively the monitoring reports. All provided reports shall be taken into account, except with:

1. program reports, which volume do not correspond to the collected amount from the user and do not justify the costs on their processing;

2. program reports, for which it is known for sure or can be assumed that they are forged;
3. program reports, which are incomplete and do not reflect truly the public performance and/or broadcasting;
4. program reports, which are unreadable;
5. (rev. GM – 20.05.2019)

**(2)** (new, GM – 20.05.2019) In the cases under p. 3 and p. 4 Musicautor shall undertake actions for its supplement, clarification and correction as it shall require clarification from the user, shall seek additional resources of information – the monitoring, audio- or video records in music platforms, publications in the internet space and etc.

**Art.21.** Program reports, in which is missing part of the information about the authors of the works, shall be supplemented with the help of the data base of the society, the registrations of the authors and the international pay fiches.

**Art.22.** Program reports from the media, referring to particular year and submitted not later than 30 April of the next year shall be left for the next allocation.

**Art.23.** Program reports shall not be necessary in the following cases:

1. for concerts with programs, (which are) completely from authors with expired rights;
2. for re-transmission of radio- and television programs on public places;
3. for re-transmission through electronic communication network of radio- and television programs;
4. (rev. GM – 02.04.2017)
5. upon proposal of the commission on allocation, the Management board may decide to reject other program reports too, provided that according to the statistical researches the preciseness upon allocation of the royalties shall not be seriously threatened.

## **SECTION VII**

### **ALLOCATION OF THE ROYALTIES, COLLECTED FROM USE OF WORKS OF BULGARIAN AUTHORS ABROAD**

**Art.24.** The remunerations of the members of Musicautor, received from abroad for use of their works shall be determined by the rules for allocation of the foreign societies.

**Art.25.** Musicautor shall apply its key for allocation of the royalties, received from abroad in the cases, when in the foreign reports the information regarding the shares of the right-holding authors is incorrect or incomplete.

**Art.26.** The amounts for royalties, received from the foreign authors' societies shall be paid within ten days after their allocation as the authors shall receive a report about the titles and way of use of their works.

## **SECTION VIII**

### **COLLECTION AND PAYMENT OF THE ROYALTIES FROM THE TERRITORY OF R OF BULGARIA**

**Art.27.** The royalties, owed for the use of authors' works shall be determined by contracts between MUSICAUTOR and the users.

**Art.28.** From all collected amounts for royalties shall be deducted a rate, necessary for covering the costs for maintaining the society. The amount of the rate for maintenance of the society shall be determined as follows:

1. of the gross amounts, collected for broadcasting the works from BNR, BNT, the public and commercial terrestrial and cable radio- and television stations – 20%;
2. of the gross amounts, collected for public performance of music during concerts and other public events, as well as from performances of musical works, including circuses and other, when they are not particularly written about them – 20%;
3. of the gross amounts, collected for public performance of music in hotels, catering facilities and places for entertainment, (use of) public address system in shopping centres and stores, air planes, trains, buses and other transport vehicles – 25%, of which 10% shall be for maintaining the society, and 15 % shall be for external intermediaries;
4. of the gross amounts, collected for film projections in the cinema halls – 15%;
5. of the gross amounts, collected from performances of musical works, included in dramatic and other stage works, when they are not particularly written for them – 20%;
6. of the gross amounts, collected for production, distribution and rentals of audio- and video-carriers – 15%;
7. of the gross amounts of the compensation remunerations, collected from blank audio – and video- carriers and reprography – 15%;
8. of the gross amounts, collected for royalties for the authors from foreign companies for use of their works abroad – 10%;
9. of the gross amounts, collected individually for the authors for use of their works in the country and abroad – 5%.
10. of the gross amounts collected from users pursuant to art. 19 – 10%.
11. /rev./
12. /rev./

13. of the gross amounts, collected from re-transmission by electronic communication network of musical works, included in television programs, broadcasted on the territory of Republic of Bulgaria – 20%

14. of the gross amounts, collected from re-transmission by electronic communication network of musical works, included in television programs, broadcasted from the territory of countries, different from Republic of Bulgaria – 10%.

**Art.29. (1)** The amounts for royalties from production, distribution and rentals of audio- and video-carriers, received by virtue of contracts for individual licensing shall be paid four times a year, as follows:

1. After 20 May – the amounts, collected for first quarter of the current year
2. After 20 August – the amounts, collected for second quarter of the current year
3. After 20 February – the amounts, collected for third quarter of the current year
4. After 20 February – the amounts, collected for forth quarter of the precedent year

The amounts for royalties from production, distribution and rentals of audio- and video- carriers, received by virtue of contracts for blank licensing shall be paid four times a year as follows:

1. After 20 June – the amounts, collected for first quarter of the current year
2. After 20 September – the amounts, collected for second quarter of the current year
3. After 20 December – the amounts, collected for third quarter of the current year
4. After 20 March – the amounts, collected for forth quarter of the precedent year

**(2)** The amounts for royalties for broadcasting of works from BNR and BNT, the public and commercial broadcasting and cable radio- and television organizations, including all amounts, referred to in these sub-subclasses according to the present rules, shall be paid once a year after 31 July of the next year.

**(3)** The amounts for royalties, collected from projections of films in the cinema halls shall be paid once a year, after 31 July of the next year.

**(4)** The amounts for royalties, collected from performances of music compositions, included in dramatic and other theatrical works, when these are not particularly written about them, shall be paid twice a year, after 31 July of the current year and 31 January of the next year.

**(5)** The amounts for royalties, collected individually for the authors shall be paid immediately.

**(6)** The amounts for royalties, collected for the use of the works under the form of melodies for mobile phones shall be paid twice a year, as follows:

1. After 20 April – the amounts, collected for the second half year of the precedent year

2. After 20 October – the amounts, collected for the first half year of the current year

**(7)** The amounts for royalties, collected for use of works from Internet radios and televisions during particular calendar year shall be paid once per year, after 20 October of the next year.

**(8)** The amounts for royalties, collected for offering access to musical works through Internet or other similar network, at which the musical works can be perceived from the end user by ear and/or visually and at the same time or later (these) may be downloaded and recorded on the user's computer, with an opportunity for their further reproduction on sound or video carriers /for personal use/ shall be paid twice a year:

1. After 20 April – the amounts, collected for the second half year of the precedent year;
2. After 20 October – the amounts, collected for the first half year of the current year.

**(9)** The amounts for royalties, collected for offering access to music compositions through internet or other network, at which the music compositions can be perceived from the end user by ear and/or visually, with no option to be downloaded and recorded on the user's computer, shall be paid twice a year as follows:

1. After 20 April – the amounts , collected for the second half year of the precedent year;
2. After 20 October – the amounts, collected for the first half year of the current year.

**(10)** The amounts for royalties from public performance of music during concerts and other public events as well as from performances of music compositions, including in circus performances and other, when not especially written for them, shall be paid within one month after receipt of the due royalties and the report for the performed works, depending on which of the two events occurs later.

**Art.29a. (1)** (1) Musicautor shall have the right to postpone the payment of the royalties under the below conditions:

- a) in case of contradiction in the declarations for registration of particular work;
- b) in case of contradiction in the clauses of the publishing/sub-publishing contracts;
- c) after receipt of request from a sister society, in which the disputing parties are members.

**(2)** If possible, the society has to retain and not pay the royalties only for these shares of the work, which are subject of dispute.

**(3)** In the cases under para 1 it shall be made a note in the data base of the society about the existence of dispute regarding the particular work and royalties for its use shall be collected, but

the payment of the amounts shall be suspended until settlement of the dispute in one of the following ways:

1. By effective court judgment
2. If some of the interested parties notifies MUSICAUTOR in written or by email, that it waives its claim
3. By written agreement between the affected parties
4. Notification from a sister society , in which the disputing parties are members;
5. Submission of contracts between the interested parties or other evidence, which clarify the dispute arisen.

**(4)** If within 2 /years/ after the date of marking of particular work or part of it as „disputable“ there have not been initiated court proceedings, or the dispute has not been settled in any of the ways, specified in para 3, p.2-5, the society may allocate the collected royalties on the basis of the registration, which has existed prior to its marking as a disputable work. If court proceedings have started and the society is notified about that, then the work shall remain disputable will completion of the proceedings by effective judgment.

**(5)** If the dispute settlement under the present article leads to a change in the registration of particular work, the change shall have effect as from the moment of declaring a particular work as being „disputable“.

**(6)** One and the same work may not be marked as „disputable“ more than once, except if the disputing parties are different or by decision of the Management board according to proposal from the commission on registration.

**Art.29b. (1)** In the cases under art.29a para 1, b. "a" – if there is a new claim from a right holder – author, which conflicts with an existing registration, the author who claims that his rights are affected has to file a written application to the society. MUSICAUTOR shall notify the author, who has made the initial registration, about the existence of dispute and shall provide the parties with one-month term to solve this conflict. If within the one-month term the dispute is not settled in any of the ways, envisaged in 29a, para 3, p. 2, 3 or 5, MUSICAUTOR shall make a note in the data base of the society about the existence of dispute.

**(2)** If it considers that it is necessary, MUSICAUTOR may refuse to declare in the data base a particular work as being disputable, though it is observed the procedure, specified in para 1. In such case MUSICAUTOR shall refer the issue to the Commission on the registration. The commission is convoked under the order, envisaged in the statutes of the society. In its work the commission shall study the case by collecting any evidence, incl. information from users, publications; it shall hear

records of the disputable works and etc. The commission shall issue an reasoned statement within one month after it has been approached. The opinion of the commission shall be reported to the Management board, which shall take decision regarding the registration of the disputable work, respectively whether to be marked as "disputable".

**Art.29c. (1)** In the cases under art.29a para 1, b. "b" where there is a new claim from a right holder – publisher/sub-publisher, which is in a conflict with an existing claim of another publisher/sub-publisher, MUSICAUTOR shall make a note in the data base of the society about the existence of dispute and all proceeds shall be retained till settlement of the dispute in some of the ways, specified in art. 29a, para 3.

**(2)** MUSICAUTOR shall notify in written or by email the right holders, whose claims contradict one another, about the existence of dispute within 5 day term after the work is marked as disputable by informing them that within 60-day term they shall be obliged to produce evidence about their claim. During that time all proceeds shall remain retained as disputable.

**(3)** If any of the right holders does not answer within 60 days, MUSICAUTOR shall notify him that his claim shall be deleted, if the society does not receive an answer within 15-day term.

**(4)** If both disputing parties submit evidence for their claim, the work shall continue being marked as disputable and art.29a, para 3 shall apply.

**(5)** The society can not make subjective assessment of the submitted evidence, nor can it assess and determine which of the submitted documents is more true or valid, but it can only check whether it is available the following information, required in advance:

- ▶ a term, for which the rights are ceded;
- ▶ a territory, for which the rights are ceded;
- ▶ particular works/restrictions of the repertoire;
- ▶ the documents have to be signed and dated by all interested parties.

**(6)** If none of the disputing parties do not produce evidence for its claim, MUSICAUTOR shall restore the registration of the work, which has existed prior to its marking as a disputable work.

## **SOCIETY COMMISSIONS AND FUNDS**

### **SECTION IX**

#### **COMMISSIONS**

**Art.30. (1)** For implementing the present rules, the Management board shall choose the following commissions:

- ▶ Commission on registration of the works
- ▶ Commission on the allocation of the royalties
- ▶ Commission on issues related to the moral obligations of the members, resulting from the Statutes and the rules of the society.

**(2)** The commissions shall be chaired by a member of the Management board. In the commissions may also participate authors out of Management board. The number of the members of each commission may not be less than three people. It shall be determined by the Management board for each commission individually.

### **SECTION X**

#### **SOCIETY FUNDS**

**Art.31.** The society shall maintain and develop the following funds:

1. "Social welfare of the members of the society";
2. "Promotion and development of the Bulgarian cultural heritage and creation".

**Art.32. (1)** "Social welfare of the members of the society" fund shall gather resources from:

- a) deductions (contributions) from the proceeds for broadcasting works of BNR and BNT, the public and commercial, broadcasting and cable radio - and television organizations;
- b) (rev.)
- c) deductions from the proceeds from the compensation remunerations under art.26 of the Copyrights act (blank sound- and video carriers, reproduction in a reprographic way);
- d) deductions from proceeds from re-broadcasting through electronic communication network.
- e) amounts, generated for non-identified authors and works
- f) deductions from the proceeds for public performance of music during concerts.

**(2)** The amount of the deductions for the fund shall be 5% /five percent/ of the amounts under letters „a" to „d" and „f" of the precedent paragraph, received after deduction of the respective rates for maintenance of the society, and in the cases under letter „e" shall be half of the amount, generated for non-identified authors and works pursuant to art. 6, para 7.

**(3)** The purpose of this fund shall be to assist the authors or their heirs-at-law by providing benefits and social services according to para 4 of this article.

**(4)** The social welfare shall be made by:

1. granting monthly and/or single benefits of the members natural persons – authors or their heirs, upon occurrence of the following facts:

a/ financial difficulty;

b/ disease;

c/ disability;

d/ widowhood;

e/ upon reaching 63 years;

f/ death.

2. provision of social services (including: the assignment, the financing jurists and consultants on intellectual property, who shall render law services and shall assist the members of the society for the lawful and efficient exercising their property and non-property copyrights over the works from the repertoire of Musicautor, according to the copyright laws, effective in Republic of Bulgaria and etc.).

**(5)** Upon granting social welfare and social services there shall not be admitted unequal treatment of the members of the society.

**(6)** The order for granting resources from the fund, the amount of the granted funds, the type of the social services and the purpose of the granted benefits under this article shall be determined by the management board of the society.

**Art.33. (1)** "Promotion and development of the Bulgarian heritage and creation" fund shall gather resources from:

a) deductions from the proceeds for broadcasting works of BNR and BNT, the public and commercial, broadcasting and cable radio – and television organizations;

b) (rev.)

c) deductions from the proceeds from the compensation remunerations under art.26 of the Copyrights act (blank sound- and video carriers, reproduction in a reprographic way);

d) participation in national and international cultural projects;

e) deductions from proceeds from re-broadcasting through electronic communication network.

f) amounts, generated for non-identified authors and works;

g) deductions from the proceeds for public performance of music during concerts.

**(2)** The amount of the deductions for the fund under para 1 shall be 5% /of the amounts under letters „a“, „b“, „e“ and „g“, received after deduction of the respective rates for maintenance of the society, and under letter „f“ shall be half of the amount, generated for non-identified authors and works pursuant to art. 6, para 7.

**(3)** The purpose of the fund shall be to encourage the creation and use of Bulgarian works in the country and abroad, to assist and finance Bulgarian projects and international projects with the participation of Bulgarian authors and works, related to increasing the public awareness regarding the society.

**Art.34. (1)** The reserve shall gather funds from:

- a) realized savings from the maintenance of the society;
- b) interests from payment accounts, donations and aids;
- c) unclaimed royalties within five years after they have been put in the accounts for payment;
- d) payable royalties to authors without heirs, pursuant to art.33 of the Copyrights act;
- e) financial sanctions under art.5, para 1, p.1;
- f) proceeds from ancillary economic activity of the society.

**(2)** The purpose of the reserve under para 1 shall be to ensure in a long-term context the activity and development of the society.

**(3)** The order and way for usage of funds in the reserve shall be determined by the General meeting.

**Art.35.** The order and way for usage of resources under the funds shall be determined by the Management board.

**Art.36. (1)** All decisions of the Management board for allocation and usage of resources under the funds shall be announced on the next General meeting of the society.

**(2)** Information about the activity "Promotion and development of the Bulgarian heritage and creation " fund is provided on the General meeting of the society as well as under the form of a public register, located on the internet site of MUSICAUTOR with the following contents: list of the persons, which have applied for financing list of the persons, which have received financing, which (lists) shall include the amount received and brief description of the project.

**(3)** Information about the activity of "Social welfare of the members of the society" fund, which is provided to the General meeting shall contain the total amount of the amount spent.

## **Additional provisions**

**Art.37.** Each member of the society shall have the right to get familiar with the way, on which his/her royalty has been determined.

**Art.38.** Each right holder or a society for collective rights management, which considers that its royalty has been wrongly determined, may file an application to the society. The applications have to be filed not later than 3 /three/ years following the completion of the allocation, claimed to contain a mistake. The society shall be obliged to make an examination in relation to the facts, stated in the application. The society shall have the right to ask for provision of further information, materials, documents etc., depending on the case.

**Art.39. (1)** If in the course of the examination it is ascertained that there is a mistake in the allocation, which is due to incorrectly filed information from the users or due to incorrect processing of the information from MUSICAUTOR, the mistake shall be eliminated based on the information from the user, data from the monitoring, which MUSICAUTOR uses as well as any other information related to the case. The amounts, needed for corrections, shall be deducted from a lot of non-identified works/authors, collected under art.6, para 7, as there shall be respectively taken into consideration the allocation (in) class/sub-class and year of the allocation, which refers to the made correction.

**(2)** Correction shall not be made in the cases, in which the report from the user, in relation to which report a correction is demanded, has not been taken into consideration upon allocation of the royalties according to the provisions of the present rules.

**(3)** The amount, which might be paid to particular right holder by virtue of the precedent paragraph may not exceed the amount, which is generated under art. 6, para 7 for the respective class/sub-class for the year, to which refers the allocation, which correction is needed.

## **TRANSITIONAL AND FINAL PROVISIONS**

**§1.** The present rules are drawn on the grounds of art.40, para 6 of the Copyrights act, art.10, p.2 of the Statutes of the Society.

**§2.** The present rules shall apply for allocation of the due royalties for 2000 from radio- and television broadcasts, including all amounts, which refer to sub-class radio- broadcasts at BNT and sub-class television broadcasts at BNR, pursuant to art.16, p.2, letter "b" and art.18., as well as for allocation of royalties, collected from the society after 10.02.2001.

**§3.** The present rules shall revoke The rules for allocation, adopted on a general meeting of "Musicautor" society, held on 29 April 1995.

**§4.** The present rules were adopted on a General meeting of the members of "Musicautor" society held on 10 February 2001.

**§5.** The amendments in the rules were adopted on the General meeting of the members of "Musicautor" society held on 28 February 2004.

**§6.** Payment of the royalties for the use of the compositions under the forms of mobile phone melodies for 2002 and 2003 shall be made after 20 October 2004 together with the payment of the royalties for the first half year of 2004.

**§7.** The amendments in the rules were adopted on the General meeting of the members of "Musicautor" society held on 20 March 2010.

**§8.** Payment of the royalties for sub-class "Offering of access to music compositions through Internet or another similar network", at which the music compositions may be perceived by the end consumer by hearing and/or visually, with no opportunity to be downloaded and recorded on the end consumer's computer in 2010 shall be made after 20 October 2010.

**§9.** All royalties, which at 24.03.2011 have not been allocated within the terms, envisaged in the present rules, have to be allocated till the end of 2014.

**§10.** The present rules were amended on the General meeting of the members of "Musicautor" society held on 31 March 2012.

**§11.** The present rules were amended on the General meeting of the members of "Musicautor" society held on 23.03.2013.

**§12.** The present rules were amended on the General meeting of the members of "Musicautor" society held on 08.11.2015.

**§13.** The provision of art. 15, para 7 shall become valid, with effect from 21 June 2016.

**§14.** The present rules were amended on the General meeting of the members of "Musicautor" society held on 20.03.2016.

**§15.** The minimums paid by Spotify for 2014 and 2015 should be allocated between the compositions, which have generated more than the following number of streams within one 1 (one) reporting month, as follows:

- ▶ Service under subscription 2014 – more than 10 song streams;
- ▶ Free service 2014 – more than 100 song streams;
- ▶ Service under subscription 2015 – more than 10 song streams;
- ▶ Free service 2015 – more than 200 song streams per month.

**§16. (1)** In case of late allocations for a foreign repertoire in radio and television class with one or more years compared to the terms, envisaged in the present rules, it shall be made a partial pre-payment of royalties. It shall amount up to 50 % of the average relative share (coefficient) of the respective right holder from precedent completed allocations of the same sub-class, which number should be equal to the number of the late allocations in the respective sub-class of allocation. The right holders and Musicautor shall sign an agreement, in which shall specify the particular amount

of the rate, the late allocations to which that rate should apply as well as a plan for deducting the amounts, paid in advance.

**(2)** The paid amount under the precedent paragraph shall be deducted from the subsequently generated amounts for the right holder as a result of the late allocations. When the allocations, regarding which there has been a delay, are more than one, the deduction shall be made chronologically from the late allocations, after these are completed/finalized. The minimum sum of the allotted amount may not be less than the amount of the respective late allocation, paid in advance. Upon request of the right holder it may be deducted an amount, larger than the above-specified minimum amount.

**(3)** The relative share (coefficient) shall be calculated on the basis of the generated amount for the right holder of particular completed allocation compared to the overall allotted amount for foreign right holders from the same allocation in the same sub-class of allocation. In determining the coefficient, the television sub-classes, specified in art. 15, para 1, i. 2, 5, 6 and 7 shall be further divided into film music and television music (this shall include the whole broadcasted music, except the film music).

**(4)** The rules of the present article shall be effective until 31.03.2019.

**§17.** The present rules were amended on the General meeting of the members of "Musicautor" society held on 02.04.2017.

**§18.** The present rules were amended on the General meeting of the members of "Musicautor" society held on 18.06.2017.

**§19.** The present rules were amended on the General meeting of the members of "Musicautor" society held on 05.11.2018.

**§20.** The provision of art. 16, para 2, b. „b" shall become valid with effect from 01.01.2020.

**§21.** The present rules were amended on the General meeting of the members of "Musicautor" society, held on 20.05.2019.