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**MUSICAUTOR**

**2024**

**ANNUAL ACTIVITY REPORT**



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## GENERAL INFORMATION

MUSICAUTOR is a society for collective management of copyright of composers, authors of lyrics and music publishers. The society was founded in 1992 and registered with Sofia City Court under Company File Case No. 18208/1992 as a non-profit organization. As required, MUSICAUTOR was reregistered under the Non-Profit Legal Entities Act and registered with the Register kept at the Ministry of Culture under No. 1 of 13th January 1994.

MUSICUATOR has more than 2 600 members.

Through reciprocal contracts with foreign sister societies in more than 65 countries, MUSICAUTOR represents the authors from nearly 100 countries worldwide, or almost the entire world repertoire of music.

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The society has not opened and registered any branches.



## **Management and structure of the society**

### **Board of directors**

Yassen Kozhev - chairman  
Vassil Giyurov – deputy chairman  
Stoyan Mihalev - deputy chairman

Vesselin Todorov  
Viktor Stoyanov  
Viktoriya Terziyska  
Georgi Arnaudov  
Prof. Georgi Kostov  
Gergana Turiyska (retired)  
Kiril Marichkov  
Krassimir Kurtev  
Peter Delchev  
Peter Doundakov  
Virginia Publishing EOOD  
Shubert Music Publishing OOD

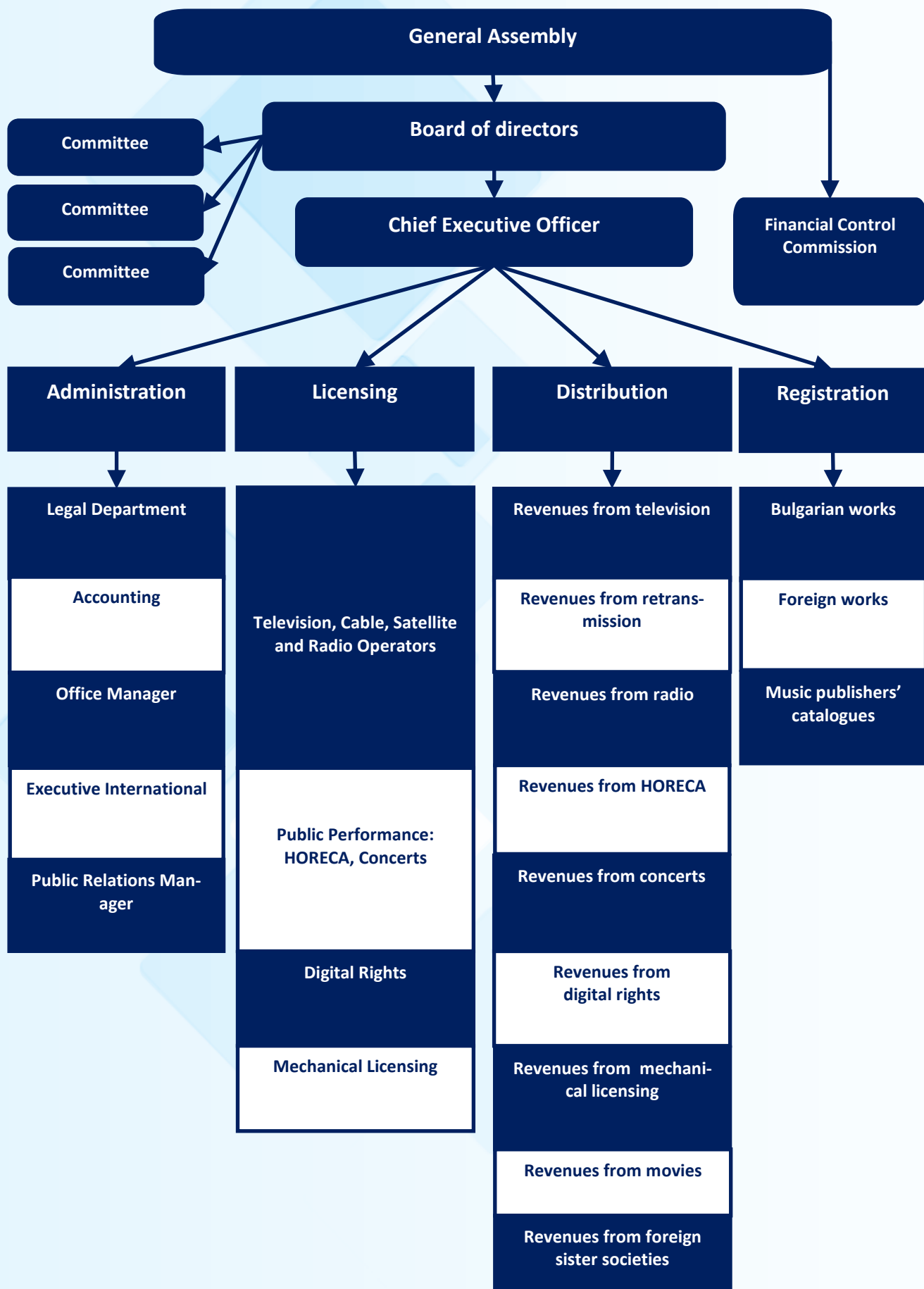
### **Financial control commission**

Vassil Nikolov - chairman  
Doncho Genov  
Valery Grigorov

### **Chief Executive Officer**

Ivan Dimitrov

Pursuant to Art. 37 of the company Statutes, Musicautor is represented by its chairman, the deputy chairmen and the CEO, together or separately.



2014

## Activity review

REVENUES FROM USERS FOR 2014					
TYPES OF USERS	Report 2014r.	% of the forecast	Royalties	For agents	Administrative costs
BNT	822 293	97,54%	657 835		164 459
BNR	437 633	93,11%	350 106		87 527
Private ethereal TVs	1 026 657	44,64%	821 326		205 331
Private cable TVs	343 046	98,01%	274 436		68 609
Private radio stations	661 447	120,26%	529 157		132 289
Retransmission	69 210	9,89%	62 290		6 921
Concerts	294 213	49,04%	235 370		58 843
Mechanical rights	32 749	32,75%	27 837		4 912
Cinema	35	0%	30		5
Digital rights	91 161	82,87%	82 045		9 116
Currency	233 208	86,37%	209 887		23 321
Trade and tourism	996 157	90,56%	747 118	149 424	99 616
<b>Total:</b>	<b>5 007 809</b>	<b>67%</b>	<b>3 997 437</b>	<b>149 424</b>	<b>860 949</b>

Administrative costs – 19,16%

All amounts are in Lev (BGN)s without VAT

In 2014 Musicautor made result-oriented action to continue the reforms started at the end of the 2012, and to progress towards the purposes set by the company's strategy for development..

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During the year key agreements have been achieved with users and branch organizations of users. They will inevitably ensure in medium and long term company's comfort to continue the running reforms. The examples of the historic agreement with the Bulgarian Association of Cable Communication Operators / BACCO / and the leading cable and satellite operators, the achieved amicable settlement with the largest media group in the face of bTV Media Group, the agreed transaction with Darik Radio and the new contract with the Bulgarian National TV are part of the structural actions that mark the positive in 2014. These actions partially contribute to the expected record breaking revenue of Musicautor in 2015.

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On the other hand, the most serious project of the company since its foundation has already started, namely development and implementation of a new software for the encashed remunerations distribution. The technological approach aims to ensure timely distribution of the proceeds, cost optimization, individual online access of authors about information to use. In parallel, the company continued its technological innovation in different licensing directions - retransmission, concerts, public performance, by developing a number of applications that improve and optimize processes within the company.

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A number of initiatives and campaigns were launched in 2014, whose objective was to establish a more favorable legal framework for the activity development of Musicautor. The campaigns "For renaissance of Bulgarian culture" and "Share music, emotion, culture" managed to focus public attention on problems concerning the protection of intellectual property in Bulgaria. The organized concert events were supported by more than 120 artists in 11 events, which has no analogue so far. Undoubtedly, the public recognition of the company is much higher, however the success remains partial. The reason for this is that the period was extremely complicated in terms of political, financial and economic instability in the country. The three governments and the lack of effective functioning Parliament spoiled the efforts for legislative changes. On the other hand, they unconditionally created strategic partnerships with key organizations in the music industry as Prophon, the Bulgarian Music Association, the Bulgarian Association of Music Producers and the Bulgarian Hip Hop Association, Sofia Municipality, Artistauthor and Filmauthor.





The attempts to unite the associations of artists and musician, inspired by Musicautor, did not go unnoticed and were conceptually supported by the International Confederation of Societies of Authors and Composers – CISAC.

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The analysis of the environment in which Musicautor operates requires special attention to the consequences for the Bulgarian economy as a result of the insolvency of Corporate Commercial Bank (CCB). Blocking of assets in the CCB and Bank Victoria "immobilize" cash of 8% of the Gross Domestic Product of Bulgaria for several months. This paralyzed and delayed many payments as intercompany indebtedness reached new heights. This affected directly and indirectly many users, who delayed payments for objective reasons.

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Throughout the year Musicautor launched a new session to receive funding from the Culture Fund. The total amount of supported projects was EUR 100 000 leva. New rules for financing under the Fund, in combination with the nine-member independent commission, created objective preconditions for transparency and justification of the decisions. Forty six (46) projects were granted support for a total number of 129 projects.

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Typical activities for the period were the active communication with relevant bodies such as the Council for Electronic Media (CEM) and the Ministry of Culture. Partnership with CEM is a fact and it is a direct consequence of the principled policy of the regulator in relation to copyright protection. Apart, mediation which the Council rendered to finalize the agreement with the cable and satellite operators should also be admired. On the opposite side remains the Ministry of Culture. At political level, despite the declared support, a number of signals for inspection of violation of the law remain unscathed. Moreover, the lack of feedback according to the Access to Public Information does not lead to better results. Unfortunately, despite the attempts of the Ministry of Culture to be involved with an expert support concerning the changes offered by Musicautor, it remains idle and passive to the suggestions and problems that cause and motivate them.

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In 2014 Musicautor continued its internship program through the so-called 'Student practices' project, funded under the Operational Program Human Resources Development, financed by the European Social Fund. At the end of the year a Memorandum of cooperation was concluded with the New Bulgarian University. The agreement demonstrates the will of Musicautor to interact with the universities in the country, taking into account the collaboration agreement with the University of National and World Economy in 2013.



# Main areas of activity

## Licensing

### TV licensing

In 2014 a total sum of 2 191 996 Bulgarian Levs (BGN) was collected from broadcasters.

The amount is a sum of the following revenues:

Bulgarian National Television (BNT) - 822 293 Bulgarian Levs (BGN);

Commercial broadcasting television - 1 026 657 Bulgarian Levs (BGN);

Private satellite and cable television - 343 046 Bulgarian Levs (BGN).

Budget implementation (2 191 996 Bulgarian Levs (BGN) for all TV) is 62.75 percent (%), as by items it includes:

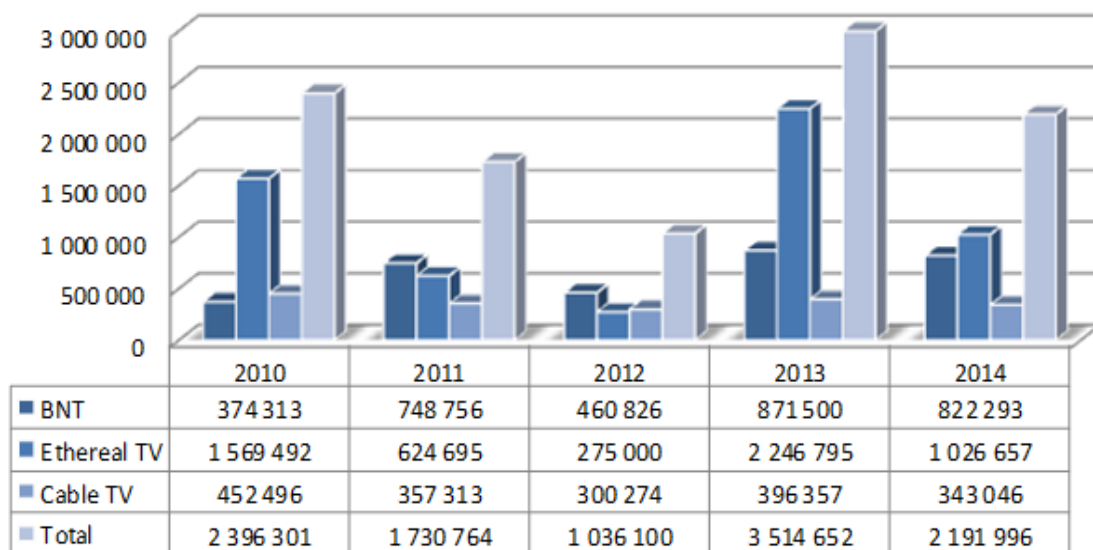
Bulgarian National Television (BNT) – 97.54 percent (%);

Commercial broadcasting – 44.64 percent (%);

Private cable TV - 98.01 percent (%).

For comparison, in 2013 the amount collected is 3 514 652 Levs (BGN), the sum of 871 500 (Bulgarian National Television (BNT)), 2 246 795 (commercial broadcasting) and 396 357 Levs (BGN) (private cable TV). Compared to the previous year - 2013, there is a decline in sector revenues amounting to 37.63 percent (%).

### Revenues from Televisions (BNG) 2010-2014



## **Contracts**

In 2014, existing contracts are 47. Six of them are for broadcast television (BNT, bTV, NOVA TV, Diema Family, BBT, TV7), the others - for cable / satellite. Throughout the year 8 new contracts have been signed, two of which are operative. In 2014 a new contract with the Bulgarian National Television has been signed, which covers the period 2014 - 2016.

## **Agreement with bTV**

The longstanding dispute with bTV about the basis on which the agreed rate shall be calculated is now resolved, the parties reached an amicable agreement. After long negotiations at the end of the year, an agreement was reached with BTM about deferred payment of the amounts due for 2010, 2011, 2012, 2013 and 2014 until March 2015. In 2014, BTM Media Group partially paid 444,790 leva for 2013. The real effect of the agreement will redound significantly to the revenues for 2015.

## **Problem areas**

TV7 was a serious problem in 2014 because of media difficult financial situation. This resulted in a lack of revenues for the period 2014 and it was necessary to undertake measures to resolve the case in court.

There was a delay in payment of outstanding wages of some private cable televisions. Many of these delays were due directly or indirectly to the situation with Corporate Commercial Bank.

Throughout the year receivables from BSS Media Group (The Voice and Magic TV) and Statis SA (TV Stara Zagora and Music Zone) were partially deferred. Furthermore, legal action has been taken against Eurocom Tsarevets, Eurocom National Cable Television (Botevgrad), DSTV, Channel 6 and Colour TV.

Among the televisions that are in delay with current payments are: Press TV, Fan TV, Foton-K, Box TV, Agro TV, BG Music Channel and Chernomore TV.

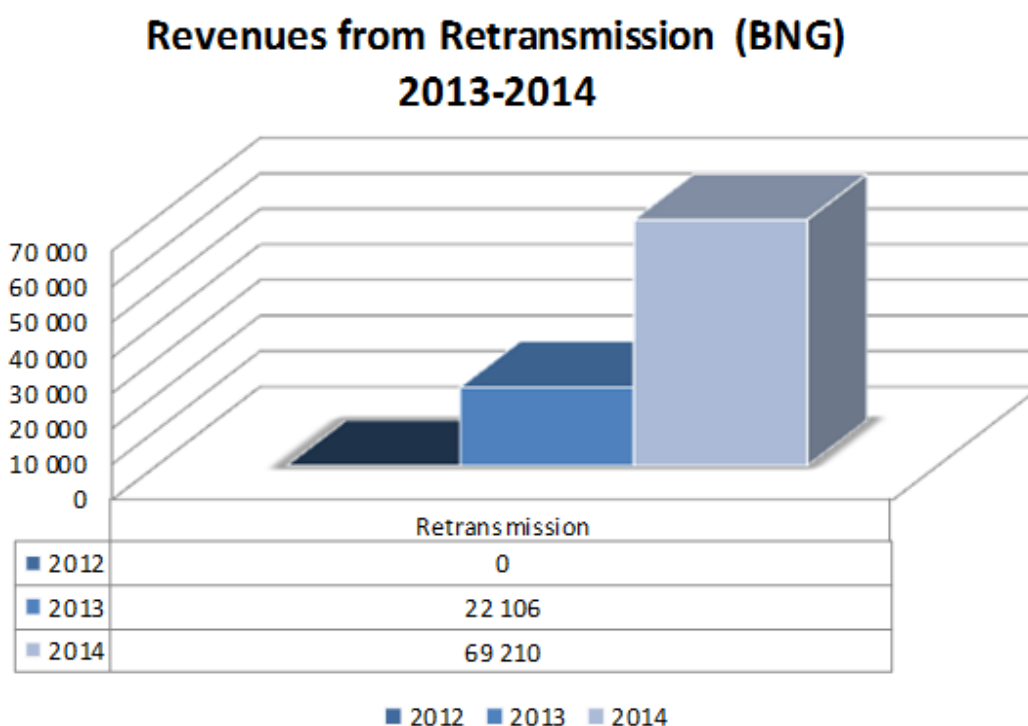
A general problem in the television sector is the inability of new tariff approval. The problem has three dimensions. On one hand it is the reluctance of ABRO (Association of Bulgarian Broadcasters) to renegotiate the rules (tariff) to determine the remuneration payable by broadcasters. On the other hand is the lack of time limits in the law to ensure the procedure completion. And last - systematic passive position of the Ministry of Culture, which refuses to acknowledge the problem and work constructively for the amendments proposed by Musicautor regarding the Copyright and Related Rights Act, which regulates the matter.

# Retransmission

In 2014, 74 contracts with retransmission enterprises were concluded.

Revenues amounted to 69210 leva. For comparison - in 2013 revenues in this direction are 22 106 leva. There is an increase by 47 104 leva. Growth compared to the previous year is 313.08 %.

Percentage performance against planned budget for 2014 is 9.89 %.



## Historic agreement with BACCO

A positive result during the year was the reached agreement with the Bulgarian Association of Cable Communication Operators (BACCO) regarding the retransmission tariff of Musicautor. On July 10, 2014, a framework agreement has been signed governing relations between the two organizations for the period 2014 – 2016.

Merits of the Council for Electronic Media should be noted for the successful finalization of the negotiations between BACCO and Musicautor; they helped with constructive cooperation and mediation in the negotiation process.

Meanwhile, in March an agreement was signed between Musicautor and the National Association of cable operators 'TV Club 2000', as part of its members signed individual contracts with Musicautor.

## **Sector challenges**

In the context of innovation and optimization Musicautor started the development of a software program that will allow database precise control by the increasing number of contracts. The program will fully automate the distribution process and will systematize communication with users. Next year it is expected that program development reaches a stage in which businesses will have direct access to the system and will be able to manage the submission of information cards through it.

Main sector difficulties that emerge in 2015 will come from the large percentage of gray economy in the cable industry. The aim of Musicautor will be to cover all existing operators. Adopted active communication, that started last year, with the Council for Electronic Media (CEM) and the systematic submission of information facilitated the signed contracts so far and could help for signing contracts with companies that have not yet arranged copyrighted music.

## **Contract for general licensing**

The contract for general licensing was administrated by Musicautor for the period: 2006 - 2011. Parties thereto are AGICOA, (the International Association of Film Producers), EBU (European Broadcasting Union) and VG-media (German collecting society which represents private broadcasting media) together with Bulgarian companies for the collective management of the rights of Musicautor, FILMAUTOR and THEATREAUTOR.

Although the contract was terminated with effect from 01.01.2012, an additional sum of 39,674 lev (BGN) was collected.

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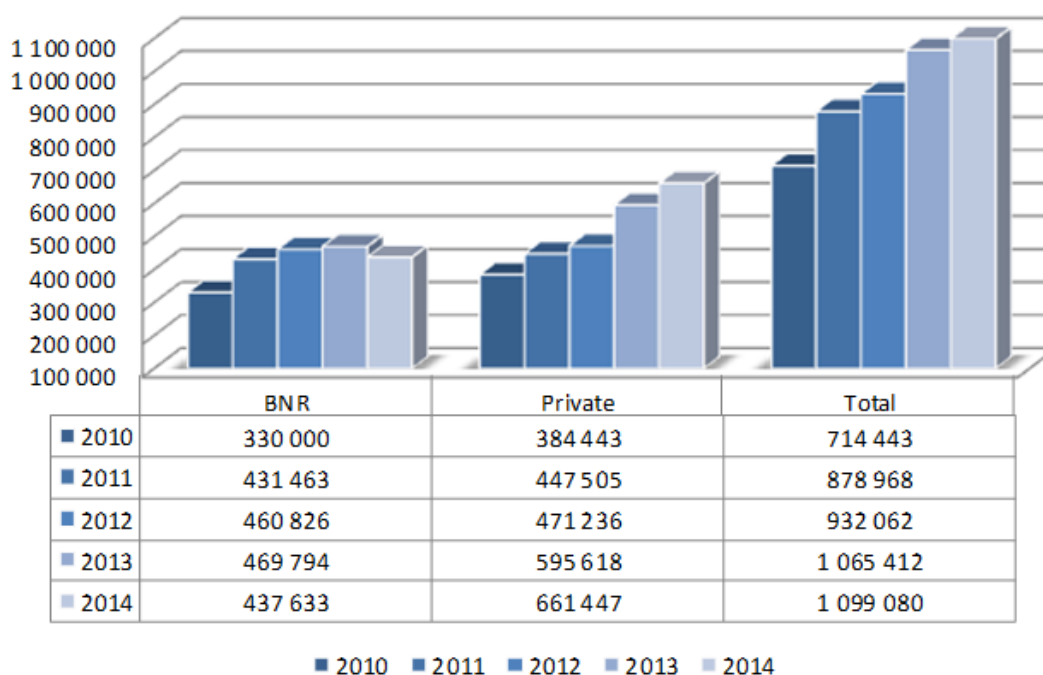
## **Radio licensing**

През календарната 2014 г. са събрани общо 1 099 080 лв. Сумата представлява сбор от приходите, получени от БНР – 437 633 лв. и частните радиооператори (вкл. и общински), възлизащи на 661 447 лв. За сравнение – през 2013 г. са изплатени 1 065 412 лв., сбор от 469 794 лв. (БНР) и 595 618 лв. (частни + общински оператори)

In 2014, the sum of 1 099 080 levs was collected that represents the sum of the revenues, generated by BNR - 437 633 levs, and private broadcasting operators (incl. municipal), amounting to 661 447 lev. For comparison - in 2013, the amount of 1,065,412 levs was paid - sum of 469,794 levs (BNR) and 595,618 levs (private + municipal operators).

Relative to the previous 2013, revenue growth of radio sector is 3.16% (almost -6.85% for the BNR, because of the reduction in its subsidy granted and 11.05% for private and municipal operators).

### Revenues from radio (BGN) 2010-2014



Eleven new contracts were concluded for this period. They involve 8 emitting suppliers (7 private and 1 municipal) and 3 candidates for frequency. Two radio operator ceased activity (1 private and 1 municipal).

After long negotiations Musicautor formalize their relations with Darik, Darik Nostalgie and Alpha Radio. Among the longtime incorrect users remain Maya Burgas, Silver Vratsa, HotFM Vratsa and others. For all these operators, signals were systematically sent to CEM and the Ministry of Culture with specific violations, as the already established practice gives some results (except Darik and Alpha, contracts were signed with some local operators).

Payment delay trend continues to grow among many radio services provider. The events surrounding the Corporate Commercial Bank in this direction negatively impacted, as among the affected users are Communicorp and BSS.

Before the end of the year, agreements for deferred payment were signed about past and current obligations with BSS and Balkan Broadcasting (former Reflex Media). Some users tend to reduce the said delay (Radiopokomaniya C.J and Bulgaria On Air). In 2014, a total sum of 314,913 leva was collected for a past period (to compare, for 2013 the amount was 190 164 leva), and the amount included all revenues for Distribution 2013, settled after August 1, 2014.

# Public performance

## HORECA

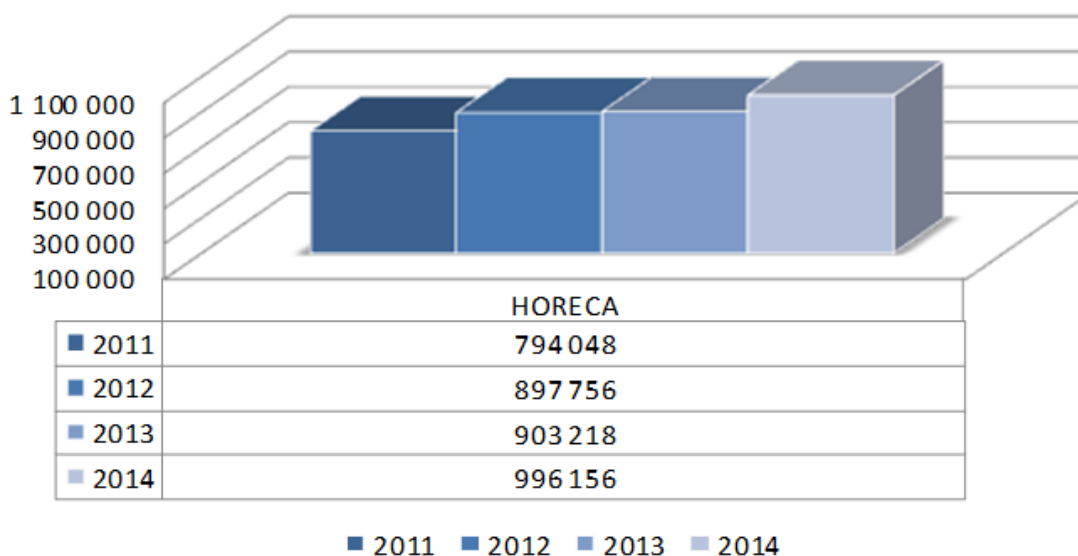
In 2014 the HORECA team continued working on the main objectives to keep longtime partners, to increase the number and coverage of new agreements and to collect old debts.

Unserved contracts and terminated contracts tendency continue, reaching over 20 percent of the average annual wages, due to the difficult financial situation. Moreover, big users prefer to play a limited repertoire at a much lower price in a free negotiation.

Thus, for the last three years since audio-marketing commercial companies entered the market, it was found that there are terminated contracts with Musicautor totaling 500,000 leva for the mentioned period. Estimates show that authors did not receive amounts for about 400 000 leva.

The new contracts and the collection of old claims manage to offset losses, maintaining a revenue growth of around 10 percent and in the middle and at the end of the year compared to the last year – a growth that is proportionate to the projected rate of tariff increase.

### Revenues from HORECA (BGN) 2011-2014



There is a change in the main participants on the market of public performance. The company Accord Music was restructured in Accord Music Net and changed repeatedly its shareholders. Musicautor undertook legal action against the first company, because in the catalog of Accord Music were found works from the repertoire of Musicautor.

The existence of business companies such as Accord and Toxity, which operate at significantly lower prices than MUSICAUTOR and whose prices can be negotiated down without limitation, creates a feeling among users that can depreciate the value of music.

There are also many cases where companies having tried audio-marketing services, are back and want to sign agreements with Musicautor, preferring diversity and sublimity of provided repertoire.

On the other hand, the phenomenon EAZIPA continues its vicious activity. Despite many signals directed to the Ministry of Culture, for objects that have contracts with EAZIPA, but use the repertoire of Musicautor, we still have not received information about the relevant actions taken by the Ministry of Culture in terms of administrative penalties against the agency EAZIPA.

Въпреки влезлите промени в ЗАПСП, които на практика би трябвало да прекратят дейността на ЕАЗИПА в сферата на публично изпълнение, е ясно, че те продължават своята дейност.

Despite the changes in Copyright and Related Rights Act, which in practice would have to cease the activity of EAZIPA in the field of public performance, it is clear that they continue their activity.

The number of checks carried out by the Ministry of Culture was again extremely insufficient, although they recovered their levels of 2012. On the other hand, the percentage of issued and effective penalty decrees based on the checks carried out is unsatisfactory. Nevertheless Musicautor continued its consistent policy against the Ministry of Culture to perform more and planned checks of incorrect users. In parallel, Musicautor defended their position that the only possibility to observe the law is to delegate powers to the local authorities – the municipalities, so that their inspectors who are responsible for the relevant commercial sites, perform checks to verify if they have obtained permission to use music.

The signing of a memorandum - joint action plan with Sofia Municipality to settle the rights to use musical works in commercial and tourist sites was extremely serious achievement in this direction. Within the agreement for cooperation signed with municipality, two training workshops were organized and more than 60 municipal employees were trained regarding legal framework main points and the copyright market in HORECA sector.

Musicautor continued sending signals for help and cooperation to Sofia Directorate of Interior – Economic Police during inspections in nightclubs and discos, which are prime users and are difficult to be checked by the standard inspections of the Ministry. Certain success has been achieved in these areas evidenced by the signed contracts with some of the clubs.

So this year, despite all difficulties, the crisis and the large number of dropped and unserved contracts, there was a growth amounting to 10.31% compared to 2013.

## **CINEMAS**

At the end of 2014 and the beginning of 2015, negotiations were held with the main actors of the cinema industry and the emerging branch association of independent cameramen. Musicautor's tariff adjustment possibilities were discussed and the objective is to cover the entire market by 2015.

## **THEATERS**

Over the last year the final version of the draft tariff for theaters was coordinated and prepared, which was approved by the Management Board together with the text for a framework agreement and an individual contract. The same were presented to the Chairman of the Bulgarian Theatre Association. Last details shall be cleared to launch the process.

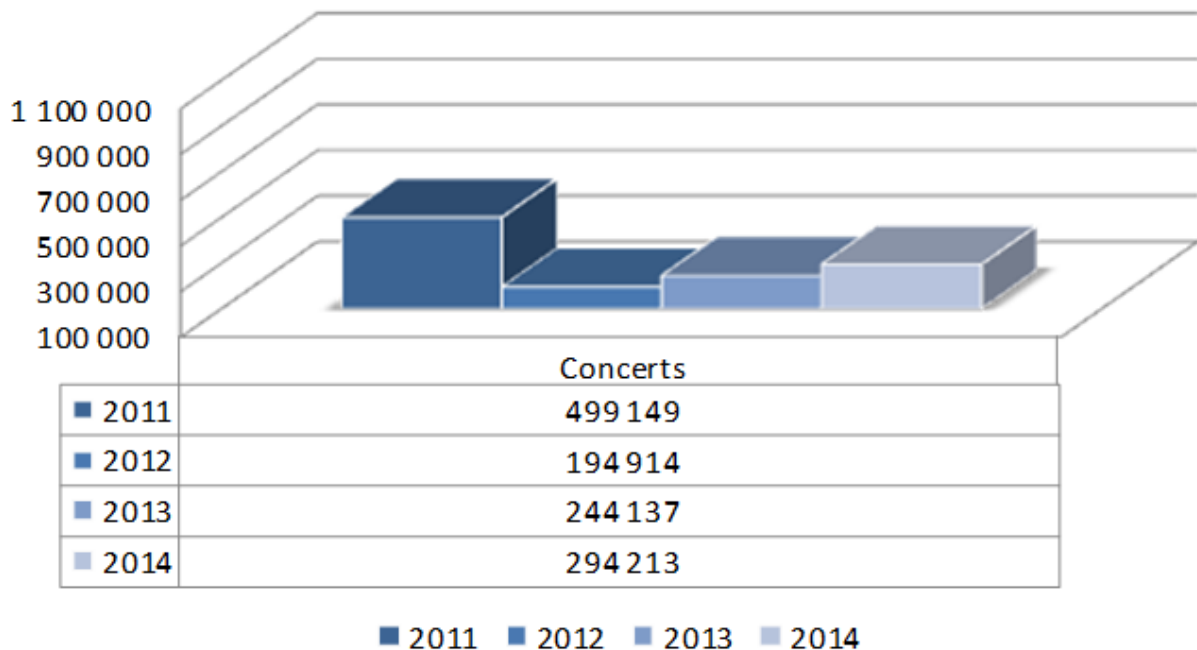
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## **CONCERTS**

Over the last year significant improvements were made to the database and the information systematization, with which the Concert Licensing department is working.

Currently the department has impeccable documentation that, along with the new software platform, allows very accurate and complete information regarding concert events licensing, and significantly improve the speed at which the department works. Besides estimates of the amount of royalties due and related invoice, event organizers receive notifications which accurately show how royalties have been calculated. As well as, they receive information on protected and unprotected duration and the way that it has been calculated pursuant to the tariff for public performance at concerts and other musical events. This process aimed to create transparency for users, who have not understood so far how exactly concerts tariffs are applied.

## Revenues concerts (BGN) 2011-2014



In 2014 concerts sums collected amounted to 294 213 leva, VAT excluded. The invoiced sums amounted to 62 751 leva. The due amounts under contracts without submitted statements are approximately 95,000 leva.

The revenue from small and medium-sized users has increased from 150 714 leva to 191,392 leva or calculated in percentage, the growth was 21.25 %.

Over the past year, Sofia Music Enterprises Plc paid off its obligations for concerts organized in 2013. Balkan Entertainment Ltd. obligations for concerts for the period 2011 - 2014 amounted to about 50 000 leva. There are old debts from 2007 - 2008 amounting to nearly 200,000 leva, subject of a court case initiated in 2014.

It is a fact that the case against ART BG LTD has been won in the first instance, regarding 14 concerts organized in the period 2008 - 2010. However, the trend is now positive, as the events organized by this company are now duly licensed.

A very negative signal was found regarding one of the most problematic promoting company - Loud Concerts. They organized many outstanding events in the past, and the company was transferred to a third party. This rendered the litigation senseless and lead to inability to collect the royalties for these events. Alongside, the former owner set up a new company with a similar name - Loud Concerts Ltd (Sole Shareholder Limited Liability Company), which at this time is a loyal user.

Andrea Bocelli Concert was emblematic for the problems in the sector. It was organized by Symphonics Entertainment Group Ltd. The costs for this event amounted to nearly 45,000 levs. Although the alerts to all institutions, there is still no result.

There are positive signals in the sector regarding the municipalities. In December a framework agreement was signed with Burgas Municipality. A progress was made during the negotiations with Varna and Blagoevgrad municipalities.

Unfortunately, despite being selected to represent Bulgaria as the cultural capital of Europe in 2019, the city of Plovdiv still refuses to settle the copyrights of the events organized by the municipality. After we failed to settle the matter in an amicable manner, Musicautor prepares to defend its interests in court.

We would like to note the non-cooperation of the Ministry of Culture. Despite the signals sent on time by Musicautor, the Ministry of Culture did not order, respectively did not perform checks in connection with the event organized by Plovdiv municipality - "Plovdiv Jazz Nights". Such was the case with Varna Municipality regarding Varna Summer Festival.

Within the last three months, 5 signals were sent to the Ministry of Culture for concert check. They did not respond and notified us that Musicautor should provide tickets for the concerts, as the Ministry cannot provide inspectors access. This vicious practice is absolutely illegal, the arguments of Copyright Directorate demonstrated unwillingness and inability to secure the copyrights during such kind of event.

Long term planning allowed us covering and licensing a large part of the events related to the political parties campaigns regarding the Parliament elections and the European Parliament elections.

In 2014, 59 contracts were signed, of which 42 percent frame contracts.

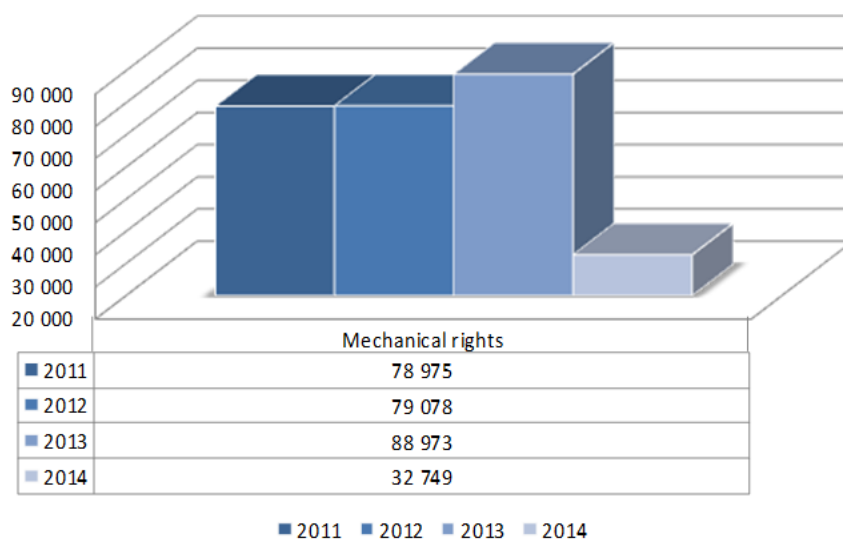
At present in the Concert Licensing Department database there are 288 contracts.



# Mechanical licensing

In 2014, 93 new contracts were signed for mechanical reproduction and distribution of works from the repertoire of Musicautor in the form of CD / DVD. The total value of the contracts is 71 402 leva VAT excluded. In 2014 collected amounts of mechanical reproduction amounted to 32,749 leva VAT excluded, and they include not only due remunerations under signed contracts in 2014, but wages under contracts from previous years.

**Revenues from Mechanical rights (BGN)  
2011-2014**



## Negotiations with the Bulgarian Association of Music Producers

Negotiations with the Bulgarian Association of Music Producers continued this year. After amendments to the Copyright and Related Rights Act into force on March 25, 2011, nearly ten years of negotiations between Musicautor and the Bulgarian Association of Music Producers to conclude a local version of the standard agreement between BIEM and IFPI for mechanical reproduction and distribution of CD and cassettes were transformed into negotiations for tariff coordination.

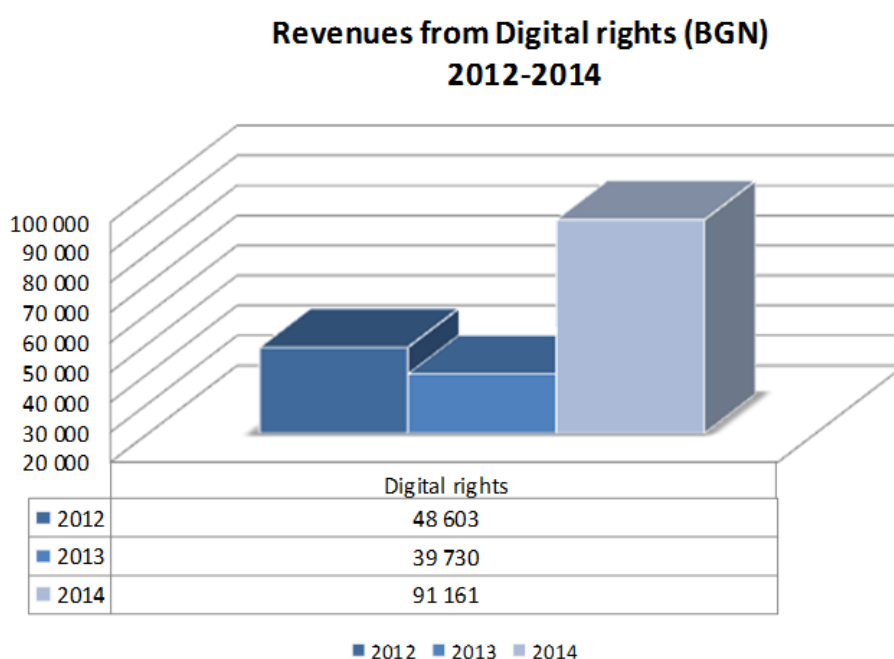
Negotiation of rates for copyright charges in future tariff and the principle frame to treat the individual users and those members of the professional organization, were the main points of ongoing negotiations between the parties in 2014.

Parallel to those tariff negotiations finalization, which is expected to happen at the end of March 2015, Musicautor and individual members of the Bulgarian Association of Music Producers will sign individual agreements for deferred wages payment in arrears (the second half of 2009 to date). According to preliminary data of Musicautor more than 15,000 media devices with predominantly foreign music repertoire will be reported and paid under the Bulgarian Association of Music Producers.

## Digital rights

Main part of the digital revenues consists of ringtones fees, and this year – from the use of music from YouTube. Received royalties from digital use in 2014 totaled 91 161 Levs. In addition to these sums, amounts for ringtones (ringtones, realtones, fultrats) are billed but not paid, totaling 37 600 Levs due for use during the last quarter of 2013 and the first three quarters of 2014.

Compared to the previous year, growth is 130 percent. However, there is a failure of the planned revenue for 2014 by 17 percent which is due to the aforementioned delay in payment of invoices issued for ringtones for mobile phones (37 600 Levs) and to default of several users who did not sent the reports for used musical repertoire, which information is due to calculate the royalties.



In 2014 were signed agreements with Google for two streaming platforms of the company - YouTube and Google Play Music. YouTube contract concerns music use in Bulgaria, and the contract with Google Play Music - across the whole world. The conclusion of these agreements is another step in order to legally distribute musical works on the Internet and give favorable outlook of the company.

In 2013, a series of meetings were held with representatives of Nova TV, which became the owner of Vbox7 in 2013. Their position was that this is a new business for them and in the beginning they make losses as to present our position and theirs regarding financial parameters are very different.

Muzikata.bg is a platform for Bulgarian music, which is part of licensed users.

At the moment top priority of the association is to implement software that read the format in which major international platforms prepare their DDEX-reports. Investing in the development of such software is necessary and technically set in the new software of Musicautor. The objective is to read the DDEX form, but also to optimize the performance of the Distribution Department. Reports for the use of music in Youtube, Spotify, Itunes and Google Play Music contain tens of thousands of lines of absolutely all musical works (the works of Musicautor and all other companies in the world), used on the territory of Bulgaria. Currently, these reports are treated manually, identifying titles is line by line in order to separate those that are managed by MUSICAUTOR. Absence of appropriate software at the moment impedes the generation of a database of used and already identified works from the repertoire of the association that will facilitate the processing of each subsequent report by using functions such as rows filtering by musical work code (ISWC- International Standard Musical Work Code), Recording code (ISWC), etc. Given the above, at this stage royalties that Musicautor receives according to the contracts with major digital platforms are more like advanced payments, but not royalties for the use of specific individual works.

### **Streaming music services tariff**

In the last days of 2013, the order of the Deputy Minister of Culture, which approves the amendment to Musicautor streaming music services tariff has been appealed. Tariff was appealed by BTV Media Group EAD, Nova Broadcasting AD and Vi Box EAD, and by two branch organizations, the Association of the Bulgarian Radio and Television Operators and the Bulgarian Association of Cable Communication Operators (BACCO), each of them claiming that is a representative organization within the meaning of Copyright and Related Rights Act, and MUSICAUTOR should align their tariffs for streaming with their organization. As a result, an administrative case before the Sofia Administrative Court in which Musicautor was constituted as an interested party. By judgment of July this year Sofia Administrative Court rejected the complaints of the users as unfounded. At the moment the decision of Sofia Administrative Court is appealed before The Supreme Administrative Court, the first hearing was scheduled for April 2015.

### **A new service for interactive digital radio**

In 2013 a request was received by two companies - Guvera and iTunes for a new type of service - interactive radio, which takes into account customer's tastes and arrange a special playlist for him. This is not a pure VOD service because the user does not choose the work, but can "jump" to 6 songs each hour. Until now such service has not been licensed. In parallel information is waited that was required by the relevant international companies to bring more clarity.



# Documentation and Distribution

In 2014, a major problem of the society is still its inability to comply with the agreed deadlines to finalize the distribution of foreign repertoire in general. The decision to award a contract to develop new documentation and distribution software is an important step to overcome the problem and compensate the delayed distributions. The purpose of the developed software is to improve the quality of administration activities of the Bulgarian repertoire, which will be transferred entirely to the international databases WID and CIS-NET.

National repertoire	2014	2013
Contracts with news members	Authors: 132 Publishers: 1 Total: 133	Authors: 126 Publishers: 1 Total: 127
Sent to IPI database	132	127
Registrations of new works of members	3 283	2 189
New registrations - total	9 042	8 173
Works, sent to WID database	13 813	15 636

Company's database is constantly updated according to the information received, both from related companies, and the sub-publishers acting on Bulgarian territory. The company responds promptly to any notification about lost or gained control over certain sub-publishing repertoire.

During the past period there were serious difficulties arising from the sale of large publishing catalogs and the related control changes on the territory of the Republic of Bulgaria for a large number of works. Due to lack of adequate software solution, the majority of operations to update the database were performed by hand. One of the main tasks set to the new software is to find a solution that guarantees speed and accuracy in the event of similar issues.

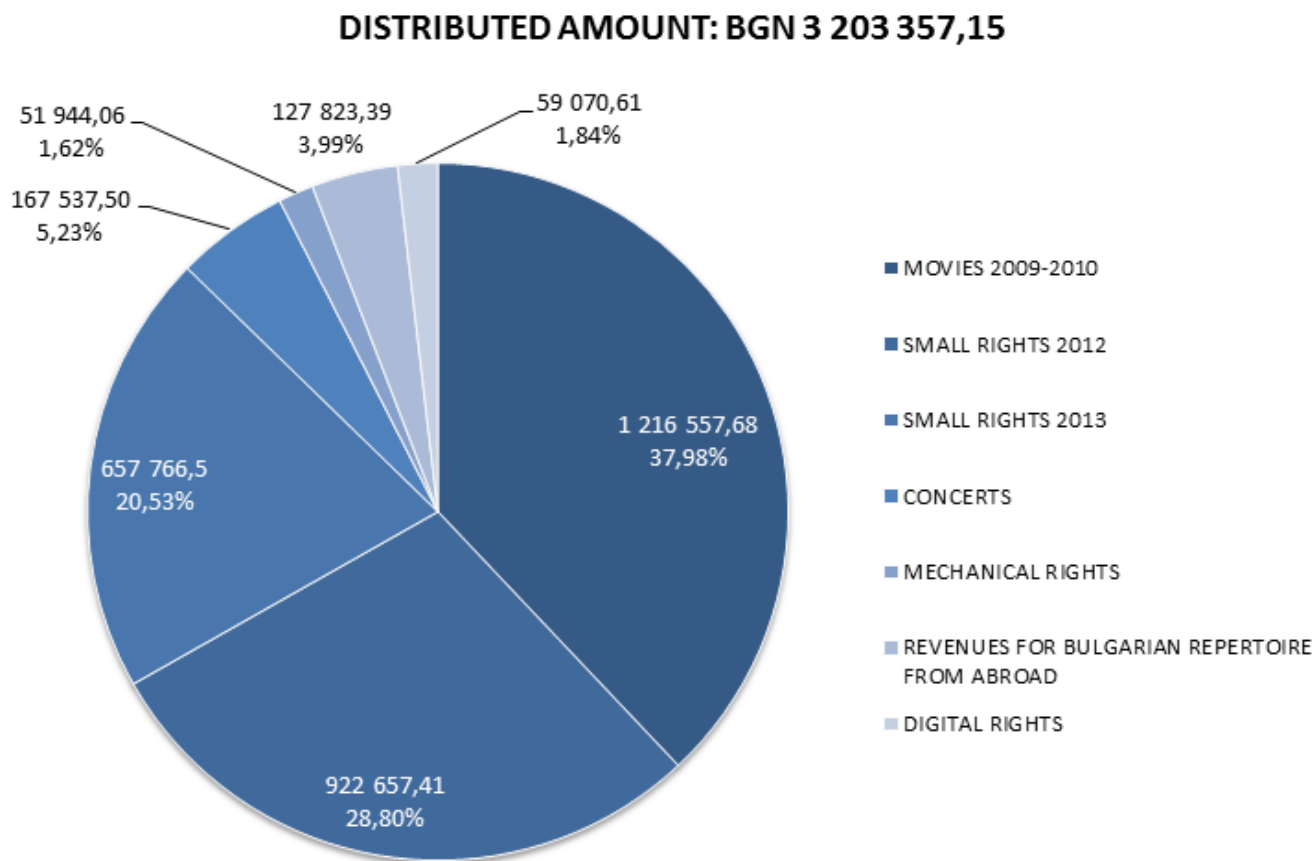
<b>International repertoire</b>	<b>2014</b>	<b>2013</b>
<b>Incoming works from sub publishing repertoire /through CWR format /</b>	1 294 734	1 481 485
<b>New works registered in the database of Musicautor</b>	44 165	50 103
<b>Updated works in the database of Musicautor</b>	151 120	93 770

\* Processing of received reports from users is done by hand, which is the first prerequisite for distributions delay. Very often these accounts are in an inappropriate format.

<b>DISTRIBUTION 2014</b>	<b>NUMBER</b>
<b>Finalized distributions of sums on the territory of Republic of Bulgaria</b>	<b>157</b>
<b>Processed reports from users / within the mentioned above distributions *</b>	<b>581</b>
<b>Distributions to sister societies</b>	<b>80 societies</b>
<b>Finalized distributions of royalties for Bulgarian authors from foreign territories</b>	<b>97</b>
<b>Distributions from sister societies</b>	<b>29 societies</b>
<b>Distributed amount (NET amount, including dividends)</b>	<b>3 203 357,15 BGN</b>

## Relative share of amounts distributed in the different categories

*Note: All amounts are net sums, in Bulgarian leva (BGN).*

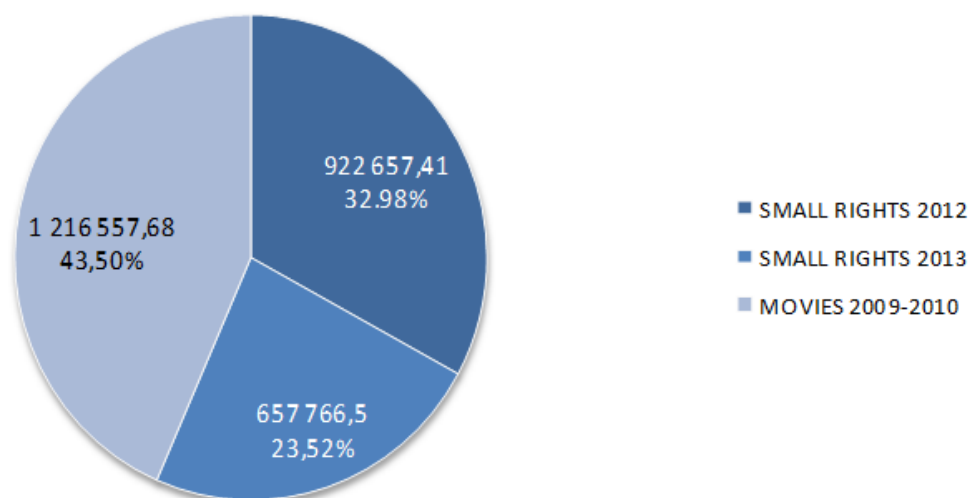


## Distribution of royalties for RTV broadcasting and public performance collected from Bulgaria

Bulgarian repertoire: Collected remuneration distribution for 2013 was performed on time.

Foreign repertoire: Finalized distributions for 2012 without BNR and the distribution for film music in 2009 and 2010.

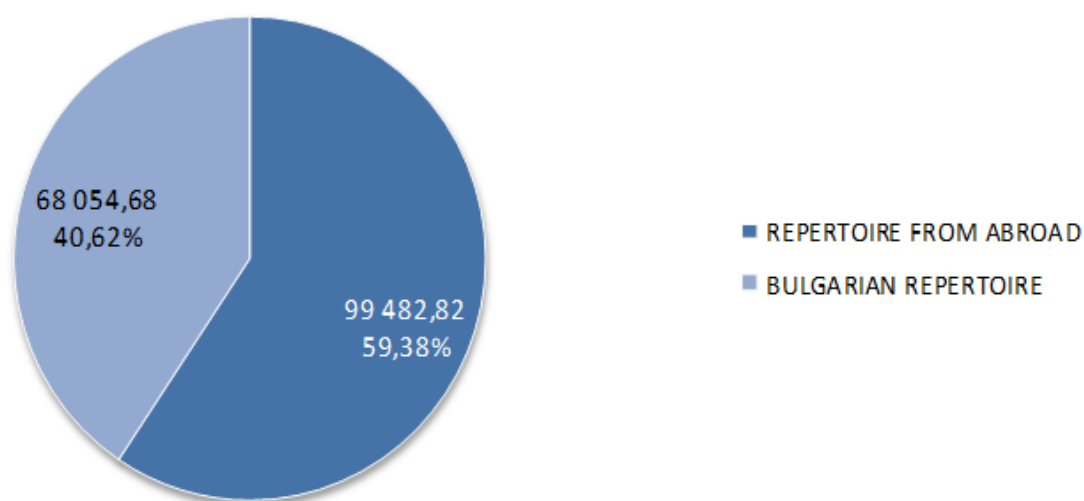
### DISTRIBUTED AMOUNT FOR RTV: BNG 2 796 981,59



### Distribution Concerts

Compared to 2013, distributed amount share for Bulgarian repertoire is increased, where it was 23.53 percent (%). One-third (33.81%) of the allocated sum in 2014 for Bulgarian repertoire is distributed between the authors whose works were performed during the tour and concerts of Lili Ivanova.

### DISTRIBUTED AMOUNT FOR CONCERTS: BGN 167 537,50

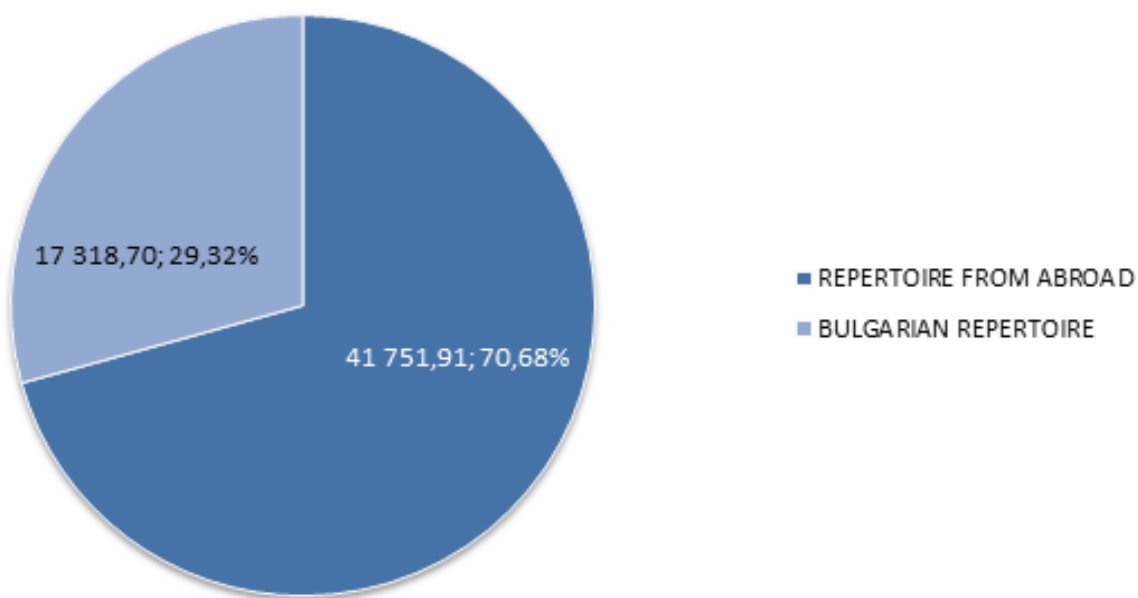


## Distribution Digital rights

During the past period distribution of ringtones 2012 and two more digital rights distributions - KVZ 2011 - 2013 and BG Music were finalized. Last two distributions relate to the Bulgarian repertoire.

Distributed amount from ringtones represents 95.32 % of the total digital rights allocations. After the musical content licensing in major digital platforms (YouTube, Spotify, iTunes, Google Play) and received reports from them, an urgent need for software solution arose in the company whose specific purpose is the formats processing of the information for repertoire used. Manual processing of incoming information is impossible because of the huge volume of data in separate reports. The problem we face, should find soon software solution, to avoid distributions delays.

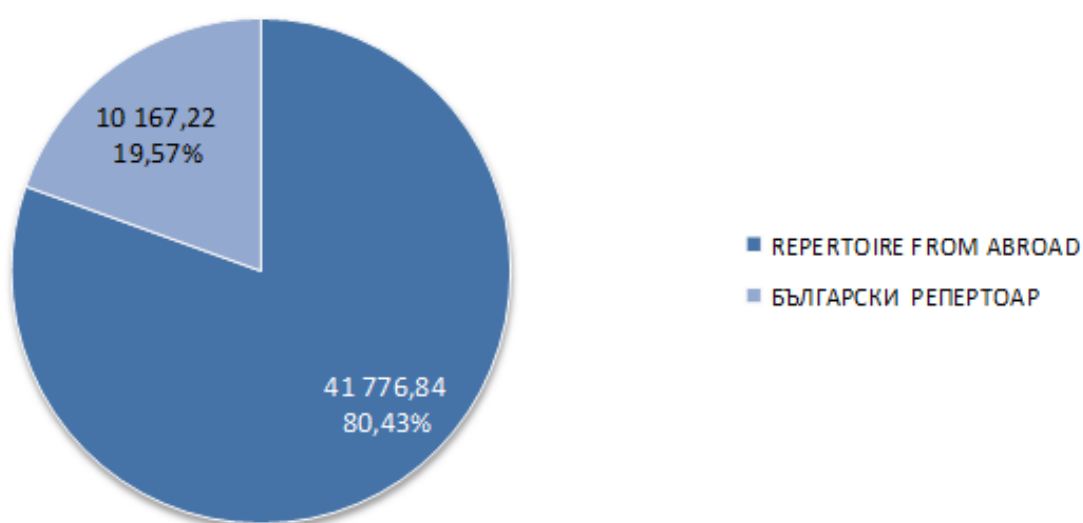
### DISTRIBUTED AMOUNT FOR DIGITAL RIGHTS: BGN 59 070,61



## **Distribution Mechanical rights**

During the past period part of the amount received from Musicautor, pursuant to agreement with the Bulgarian Association of Music Producers from 2009 was allocated. Distributed amount represents 54.72 percent from the total distributed amount for mechanical rights. For the purposes of this distribution an enormous amount of information was entered and processed. Distribution covers 460 productions / cassettes and CDs /, each containing an average number of 15 works.

### **DISTRIBUTED AMOUNT FOR MECHANICAL RIGHTS: BGN 51 944,06**



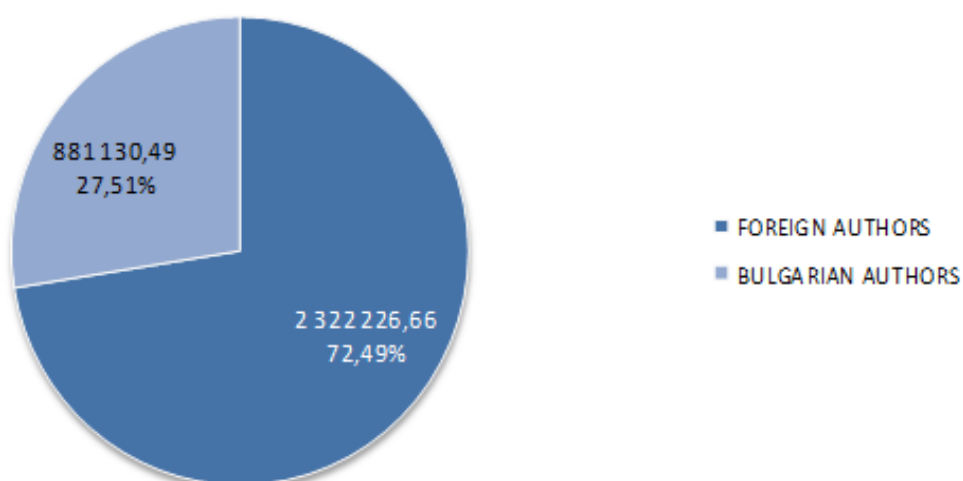
## **Distribution of amounts for Bulgarian authors from foreign territories**

During the previous year, the sum of 127 823.39 Levs was distributed among Bulgarian copyright holders, which is 2.90 percent less compared to 2013, due to the reduced income of the foreign companies.

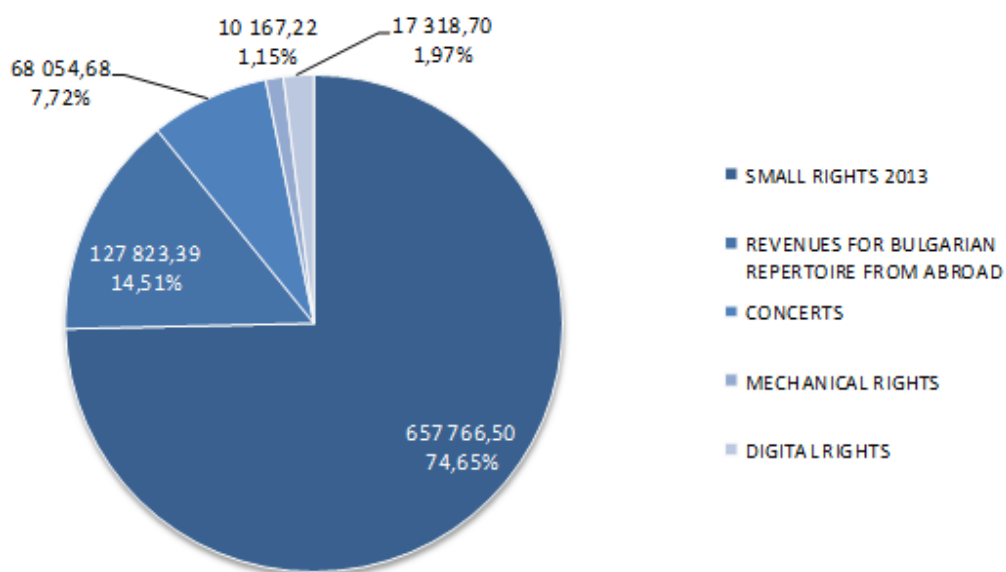
## Comparative analysis of the distribution

In the distribution of the encased wages from different users' categories, permanently established trend is maintained regarding the ratio Bulgarian-foreign repertoire.

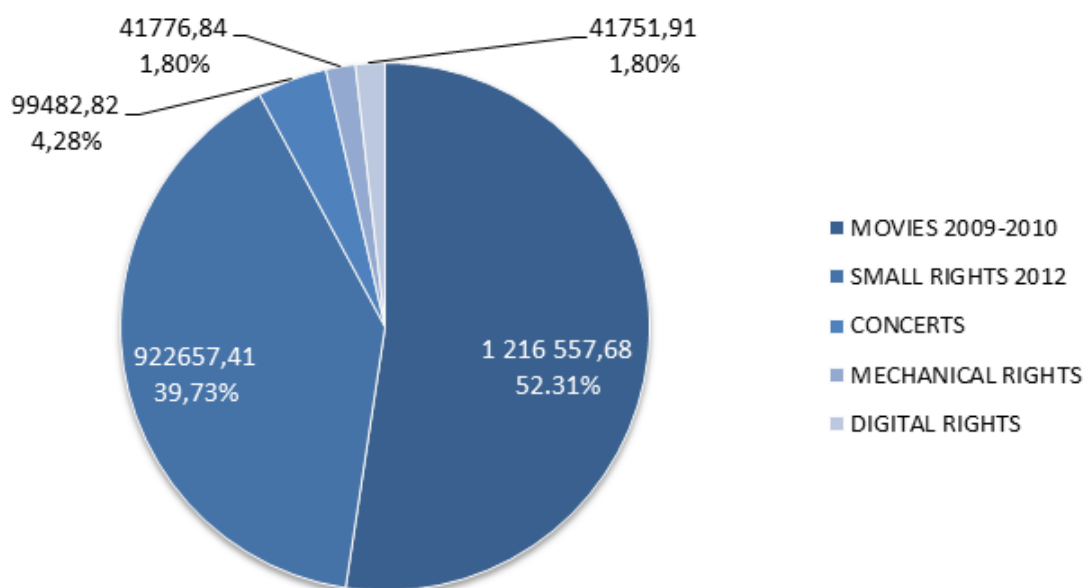
### COMPARISON BULGARIAN/FOREIGN REPERTOIRE TOTAL AMOUNT DISTRIBUTED: BGN 3 203 357,15



### BULGARIAN REPERTOIRE: 881 130,49 DISTRIBUTED AMOUNTS IN DIFFERENT SUBCLASSES



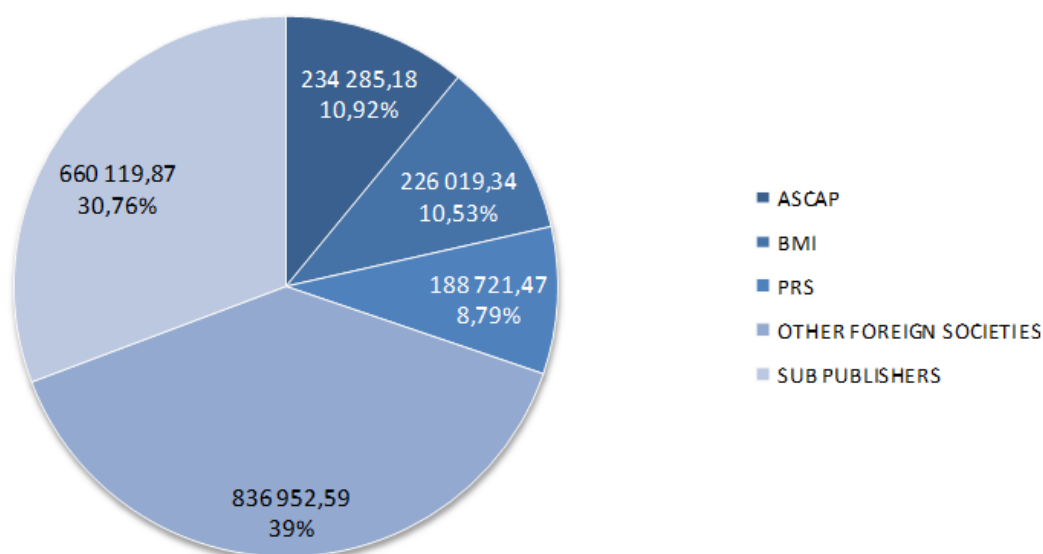
**FOREIGN REPERTOIRE: BGN 2 322 226,66**  
**DISTRIBUTED AMOUNTS IN DIFFERENT SUBCLASSES**



**RTV broadcasting and public performance - distribution of royalties for Anglo-American repertoire and sub-publishers**

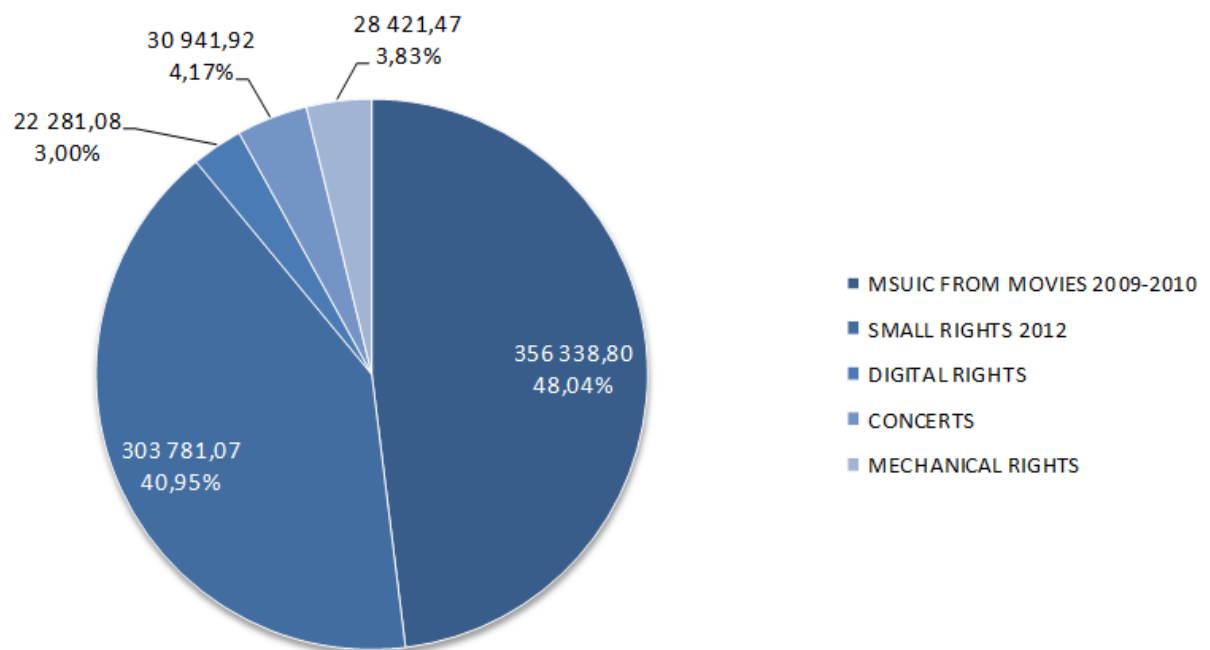
A significant portion of distributed royalties' amounts goes to the Anglo-American companies. Significant percentage of the revenue is distributed between sub-publishers operating on Bulgarian territory.

**FOREIGN REPERTOIRE SMALL RIGHTS**  
**DISTRIBUTED AMOUNT: 2 146 098,45**



**DISTRIBUTED AMOUNT FOR SUB PUBLISHER IN DIFERRENT  
SUBCLASSES**

**TOTAL: BGN 741 764,34**



# MUSICAUTOR

## Legal actions

### Interaction with the Council for Electronic Media

In 2013 MUSICAUTOR managed to lay the foundations of an effective cooperation with the Council for Electronic Media. Checks carried out by the regulatory body to media providers without copyright authorization were not suspended in 2014.

MUSICAUTOR continued to send alerts to the Council for Electronic Media for unauthorized use of music. During the year, around 108 signals were sent to the Council for Electronic Media, and in view of the number of concluded contracts due to his intervention, we could say that there are already positive results.

### Interaction with the Ministry of Culture

In 2014 Musicautor refer to the Ministry of Culture approximately 330 signal for checks at commercial outlets that illegally use music. Unfortunately significant part of notifications remain without consequence. Often there is no feedback, which directly influences company's activity. The inefficient respect deepened problematic issues related to EAZIPA, Andrea Bocelli concert, concerts, organized by the Municipality of Plovdiv, efforts to launch the procedure under Art. 40e for retransmission tariff, etc.

### Legislative initiative

The attempts of Musicautor to establish more favorable rules in the Copyright and Related Rights Act, to ensure and protect copyright realization, did not find support at expert level in the "Copyright" Directorate. Absence of expert assessment of problems whose solution was sought by proposals, do not engage the Ministry of Culture in any constructive way.

Proposals concerning art. 26 for empty media, art. 40e for Mediation Committee formation, according to Art. 58 and require the places where concerts are held, to promote compliance with copyright and Article 98 for the intervention of municipal inspectorates to help the Ministry of Culture for checks on compliance with the Copyright and Related Rights Act in the event of public performance of music in restaurants, were not supported.

Musicautor use the implementation of Directive 2012/28/EU of the European Parliament and of the Council concerning permitted ways to use orphan works, to submit again its proposals for changes in the Law on Copyright and Related Rights, which due to the apparent desire of some users to stop the legislative initiative of the companies for collective management were not accepted.

# International relations

As part of a global mechanism for collective rights management, the maintenance of fair and business relations with international partners is of key importance for the activity of Musicautor.

Traditionally good relations with CISAC - the International Confederation of Societies of Authors and Composers, were strengthened. Besides being the most authoritative international organization to copyright societies, CISAC should be considered as a global standard and allowance for companies that operate locally. For Musicautor, it is essential to rationalize and manage its operations under this standard because it ensures the coordination of activities with international rules and trends, as well as recognition of the company as a reliable partner.

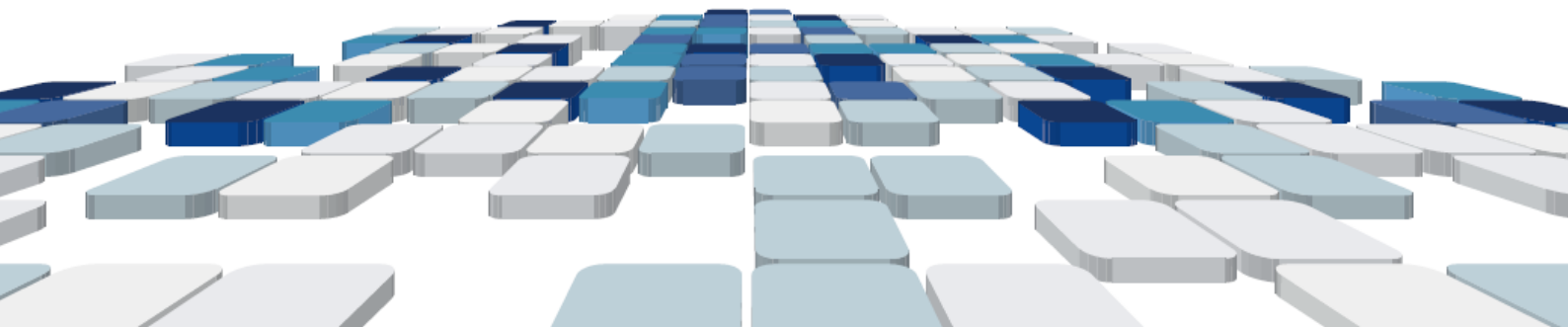
As a gesture to our cause and policy we shall accept the willingness of the Director General of CISAC, Mr. Gadi Oron for the political support in our battle for a better legal copyright framework.

## Reciprocal contracts

During the year, we focused our efforts to expand the company's international repertoire. As a result to these actions, agreements were agreed and signed with the following companies:

- ♪ AAS (Azerbaijan) - two contracts for public performance and mechanical recording;
- ♪ STEF (Iceland) - A contract for public performance;
- ♪ MCSC (China) – two contracts for public performance and mechanical recording;
- ♪ AMAR (Brazil) – A contract for mechanical recording;
- ♪ ABRAMUS (Brazil) - A contract for public performance.

This process is expected to continue in 2015 and others contracts to be concluded, that taken into account their specificity, are technological time-consuming.



# Funds of Musicautor

In 2014 Cultural Fund Activity Rules have been revised, as one of the fundamental change was to facilitate the application procedure and fund allocation. As a result to this change 129 applications for funding were submitted and authors' feedback in this regard was positive.

During the session that held over the year, a sum of 100 000 levs was allocated, authors who received funding were 46. Rules changes gave the possibility to grant funds to finance and support Bulgarian projects and international projects involving Bulgarian authors and works related to raise public awareness about the society.

<b>Information about programs balances, incomes and expenses of the association Musicautor to 31.12.2014.</b>				
<b>№</b>	<b>Programs revenue and expenditure lines</b>	<b>Social assistance to members of the society</b>	<b>Promotion and Development of Bulgarian cultural heritage</b>	<b>Total:</b>
I	Balance on 01.01.2014	256 152	693 766	949 918
<b>Revenues 2014</b>				
	Distribution Small Rights 2013	143 433	143 433	286 866
II	Total revenues:	143 433	143 433	286 866
<b>Expenses 2014</b>				
1	Amounts paid to members (anniversaries and social benefits)	4 100		4 100
2	Amounts paid to members (retirement age)	282 587		282 587
3	Amounts paid to members (promotion of works)		36 857	36 857
4	Amounts paid for Commission meetings		1 836	
5	Amounts paid for the event "Share music, emotion, culture"		9 148	9 148
6	An agreement with the Bulgarian Music Association for musical works digitilization An agreement with the Bulgarian Music Association for project co-financing - a charity concert for Boris Godzhunov		30 000 1 100	31 100
III	Total expenses:	286 687	78 941	363 792
IV	Balance on 31.12.2014 ( I+II+III)	112 898	758 258	872 992

*I, the undersigned Nadya Dimitrova, hereby certify the correctness of the translation made by me from Bulgarian into English of the document enclosed herewith – **Annual report of Musicautor**. The translation consists of 12 (twelve) pages.*

*Translator: Nadya Dimitrova*



# Website

## NEW VISION, CLEAR OBJECTIVES



### АЗ СЪЗДАВАМ МУЗИКА

АЗ СЪМ АВТОР ИЛИ МУЗИКАЛЕН ИЗДАТЕЛ



- Защо да съм член?
- Регистрация на автори
- Регистрация на произведения
- Калкулатори
- Въпроси и отговори

### АЗ ПОЛЗВАМ МУЗИКА

АЗ ПОЛЗВАМ МУЗИКА В СВОЯ БИЗНЕС

- Кога съм ползвател?
- Тарифи
- Документи
- Калкулатори
- Въпроси и отговори

Информацията не е познание. Познанието не е мъдрост. Мъдростта не е истина. Истината не е красота. Красотата не е любов. Любовта не е музика. Но музиката е всичко това... /Франк Делсат/

#### НОВИНИ ЗА АВТОРИ

• Българските творци са поканени „Нова година за българската култура“ популярни лица от българската музикална и културна сцена се събират на площада „Народно събрание“ и отпразнуват съвместен апер-към управниците за положителна промяна на културните политики в страната. Артистите се качват на импровизирана сцена...

• Становища на културните и творческия мислители... 20-01-2015 Gadi Oren, Director General of CISAC, "I am writing to you on behalf of CISAC, the leading worldwide organization of authors' societies (also referred to as Collective Management Organizations, or CMOs). CISAC unites 230 CMOs from 120 countries and through..."

#### МУЗИКАЛНИ НОВИНИ

• Как Норвегия се приобщава с музикалното писане... 30-01-2015 Един от последните проучвания на организацията IFPI (International Federation of the Phonographic Industry) показва, че в Норвегия едва 4% от хората на възраст до 30 години използват нелегални платформи за теглене на музика. За сравнение, само преди 5 години, процентът им...

• Възходът на трансформирания талант! 15-01-2015 През 2014 г. станахме свидетели на бум на стрийминга, което значително промени музикалния пазар. Хората масово започнаха да използват услуги за слушане на музика като Pandora и Spotify. В същото време дигиталните саунди и продажбите на CD-та отбелязаха сериозен спад. Въпреки...

#### МУЗИКАТА РАБОТИ ЗА ВАС

• Ново изследване показва колкото и да е... 24-10-2014 \$16 от хората работят по-бързо, когато слушат музика 88% от хората работят по-точно, когато слушат музика По-малко е най-добрият вариант, за да работим бързо и точно. Качествена музика е най-ефективна при решаването на математически задачи. Експертите музиката подобрява точността при извършването на данни. Денс музиката подобрява...

• Маркетингът на Съветското пак започва да... 20-06-2014 Ритмът е език, който разбира всички нации. Той отговаря ще бъде инструментът за въздействие на маркетинга по време на Световното първенство по футбол. Това отбелязва материал на „Асошиейтед Прес“. Естествено, Мондиалът е събитие, което ще привлече погледите на планетата – нечестно поле за полет...



Музикатор

Списък с членове

Международни

Разпределяне

Контакти

Членство

Регистрация

Документи

Новини автори

FAQ автори

Ползватели

Документи

Калкулатори

Музиката работи

FAQ ползватели

Новини

Партньор

Бюлетен

Закони

Бум

Д | Търсене...



# IN MEMORIAM

In memory of our colleagues and friends, who passed away in 2014:

Boris Karadimchev

Valery Petrov

Gheorgy Petrov

Mihail Yordanov

Rumen Tsonev



