

Announcement by Society ARTISJUS Hungarian Bureau for the Protection of Authors' Rights

on remunerations payable for private copying to recordable blank audio and video media integrated into personal computers (Ü-PC-20)

I. Remunerations

In accordance with Section 20(1) and (2) of Act LXXVI of 1999 on Copyright (hereinafter: Copyright Act), Section 1.2 of Chapter II of the "Ü" series tariff announcement (the "Ü19" tariff announcement published in the Official Gazette 2018 Vol. 68) and Section 146(1) of Act XCIII of 2016 on the Collective Management of Copyrights and Rights Related to Copyrights (hereinafter referred to as: Collective Rights Management Act), Society ARTISJUS Hungarian Bureau for the Protection of Authors' Rights, in agreement with the copyright societies of the relevant copyright holders, i.e. FILMJUS Hungarian Society for the Protection of Audio-Visual Authors' and Producers' Rights (FilmJus Filmszerzők és Előállítók Szerzői Jogvédő Egyesülete), HUNGART Collecting Society of Hungarian Visual Artists (HUNGART Vizuális Művészek Közös Jogkezelő Társasága Egyesület), the Hungarian Recording Industry Association (Magyar Hangfelvétel-kiadók Szövetsége Közös Jogkezelő Egyesület) and the Bureau for the Protection of Performers' Rights (Előadóművészi Jogvédő Iroda Egyesület), hereby determines the following remunerations with regard to the private copying of audio and video recordings to blank recordable video and audio media integrated into computers (hereinafter: recordable media or blank recordable media):

Storage unit/Designation	Payable remuneration
1. Integrated storage units of non-portable personal computers suitable for storing and/or playing audio and audiovisual content (e.g. desktop computers/PCs with a built-in storage unit (TINY, USFF, USDT, D, TT, SFF, T, MT, CMT), all-in-one desktop computers)	
from 1 to 255 GB	HUF 500
from 256 to 499 GB	HUF 1,000
from 500 to 599 GB	HUF 1,500
above 600 GB	HUF 2,000
2. Integrated storage units of portable personal computers suitable for storing and/or playing audio and audiovisual content (e.g. notebook/laptop with a built-in storage unit)	
from 1 to 499 GB	HUF 1,000
from 500 to 999 GB	HUF 1,500
from 1000 to 1999 GB	HUF 2,000
from 2000 GB	HUF 2,500

II. Common provisions

1. Payment of the remuneration

1.1 According to Section 20(2) of the Copyright Act, the remuneration specified above is payable by the manufacturer of the blank audio or visual recordable media, or, if the audio or visual recordable media is manufactured abroad, it is payable by the person liable to pay the customs duty or, if no customs duty is payable, it is payable by the person importing the recordable media and by the person placing the recordable media on the market (they will be jointly and severally liable for the payment). The remuneration must be paid to Society ARTISJUS Hungarian Bureau for the Protection of Author's Rights within 8 days of the completion of customs clearance, or, if no customs duty is payable, from the day the product is placed on the market or, if it is an earlier date, from the day it is put in a warehouse

for the purpose of placing it on the market. All domestic distributors of the product have joint and several liability for payment of the remuneration.

1.2 If all of the following conditions are met, during the effective period of the Tariff Announcement, the remuneration payable may be reduced, but only if the requirement of equal treatment is met. The manufacturer of blank recordable media, the person liable to pay the customs duty (if the media are manufactured abroad), the importer or the person first placing the product on the market (if no customs duty is payable) will be granted a reduction of the remuneration if

a) they have fully complied with their data provision obligation specified in Chapter II, Section 2 of this Tariff Announcement and on the basis of Section 22(1) of the Copyright Act regarding all blank recordable media which they have manufactured, imported or placed on the market;

b) they do not have outstanding remuneration debt;

c) they have fully complied with the terms of the trademark licence described in Section III hereof and of the tariff announcement of ARTISJUS, series "Ú", regarding each sticker with a security hologram; and they conclude an agreement with ARTISJUS on the use of rebate and the obligations undertaken in consideration of that.

1.3 An agreement on remuneration rebate may only be concluded with national interest representation organisations if the organisation provides a security for the remuneration payment obligations of its members (i.e. the persons required to pay the remuneration) and/or if the organisation collects the data required for the assessment/payment of the remuneration payable by its members (with proper evidence available to support the data) and forwards such data to ARTISJUS and/or if the organisation assumes the remuneration payment obligation in whole or in part.

1.4 The remuneration rates specified in this tariff announcement are not subject to VAT.

1.5 If the payer of the remuneration falls into delay with the remuneration payment, the statutory default interest set out in the Hungarian Civil Code is calculated from the day after the due date of the remuneration set out in Section 1.1.

1.6 Remuneration claims expire after the lapse of five years from their due date. In relation to any obligation set out in this Tariff Announcement, the limitation period is interrupted by a notice sent to the user regarding the remuneration, a notice instructing the payer of the remuneration to pay the remuneration or a notice instructing the payer of the remuneration to supply data, as well as any notice sent by the payer of the remuneration to ARTISJUS. The limitation period is suspended until ARTISJUS becomes aware of the fact that results in a remuneration payment obligation.

2. Data provision obligation

2.1 Manufacturers of blank recordable media, importers of such goods without a customs duty payment obligation or the first domestic distributor of the imported goods must report to ARTISJUS the data required for the collection of the remuneration in accordance with Section 20(2) of the Copyright Act. The person required by law to pay customs duty for the import of the blank recording media must present to ARTISJUS the customs documents certified by the Customs Authority. The person importing the blank recordable media without the obligation to pay customs duty or its first domestic distributor is obliged to present to ARTISJUS the invoice, issued to the name of such person as customer, or another document (or its copy) also indicating the number of units of the recordable media and the size of their storage units.

2.2 If the data provided by a person subject to reporting obligation is defective or incomplete, or the person is unable to support the data indicated therein with proper documents (such as with import customs documents certified by the Customs Authority or with an invoice or other document), ARTISJUS will establish the remuneration payable based on available data. If, from among the data, the size of the storage unit based on which the remuneration for the recordable media is to be calculated is missing or was not certified, ARTISJUS will establish the payable remuneration on the basis of the highest storage unit size applicable to the given recordable media as per Chapter I.

2.3 Persons required to make declarations or provide data must disclose information about the sources of supply of the blank recordable media and other distribution data at the request of ARTISJUS. If the person required to report data fails to comply with the obligation (or only complies with it in part), this person will be required to pay a flat-rate cost for the blank recordable media equal to the remuneration calculated on the basis of this Tariff Announcement (Section 22(2) of the Copyright Act).

3. Exemptions from remuneration payment

3.1 For the exemption specified in Section 20(3) a) of the Copyright Act, the following documents must be submitted as certification of exporting:

- a declaration suitable for identifying the exported goods (containing the exported quantity, the brand name and the type of the recordable media as a minimum); and
- import and export customs documents certified by the Customs Authority if the goods are distributed outside the territory of the European Community;
- if the goods are distributed within the territory of the European Community, an invoice indicating the parties' Community VAT numbers that clearly proves that the recipient of the consignment containing blank recordable media is a natural person with a place of residence or a legal entity (or other organisation) with a registered address (place of business or branch office) within the territory of the European Community and a document indicating the names, registered addresses (places of residence) of the parties, the destination of the consignment abroad and the quantities and types of the blank recordable media and documentary evidence that the recordable media have been exported from Hungary (e.g. delivery notes, bills of lading and documents verifying delivery and acceptance of the goods).

3.2 If the person required to pay the remuneration claims exemption after the remuneration has been paid, ARTISJUS will refund the remuneration if and after the documents specified in Section 3.1. above are presented to ARTISJUS and all of the following conditions are met:

- a)* if the goods are exported by the same person that has paid the remuneration to ARTISJUS;
- b)* the person that has paid the remuneration to ARTISJUS applies for the refund in writing within the year the remuneration is paid, and at the same time
- c)* specifies the invoice that contained the remuneration concerned by the reimbursement claim and lists the media concerned in an itemised manner, including the itemised list of the IMEI number of the media (if it has one); and
- d)* returns to ARTISJUS each of the security holograms removed from the recordable media in a way that serial numbers can be identified.

3.3.1. Manufacturers of blank recordable media, the person liable to pay the customs duty (if the media are manufactured abroad), the importer or the person first placing the product on the market (if no customs duty is payable) may be granted an exemption from the remuneration if they can prove regarding the blank recordable media subject to the scope of Chapter I of this Tariff Announcement that during the entire lifespan of the media, possession of the media regarding which exemption is applied for

- will not be transferred to a person or organisation authorised to make copies of them under free use in accordance with Section 35 (1), (4), (5) or (7) of the Copyright Act, and
- the media will be clearly and exclusively used for purposes other than making copies under Section 35 (1), (4), (5) or (7) of the Copyright Act.

3.3.2 The following documents must be submitted to prove that the given person qualifies for exemption:

- a)* a written contract (or a summary of terms) for the purchase of blank rewritable recordable media within the scope of this Tariff Announcement specifying the parties, the subject matter of the contract (i.e. the blank recordable media), the date of performance and the signatures of the parties; in addition, if the person required to pay the remuneration is a direct or indirect intermediate party of the person performing the contract by transferring the blank recordable media, each contract (or summary) for the purchase of the blank recordable media concluded between persons in the chain of intermediate parties; and

- b)* the documentation related to the contract that includes

- b.1)* the types and quantities (number) of blank recordable media purchased under the contract according to the classification of this Tariff Announcement;

- b.2)* a statement by the purchaser (end user)

- regarding the purpose it will use the blank recordable media for and in what way it will ensure compliance with Section 3.3.1 during such use;

- will not be used for making copies of the works and performances specified in Section 20(1) of the Copyright Act;

- will not be resold; and

- will not be transferred to persons authorised to make copies in accordance with Section 35 (1), (4), (5) or (7) of the Copyright Act; and

- that it authorises ARTISJUS to check compliance with the conditions set out in Section 3.3.1 upon prior written notice by ARTISJUS; and

- it undertakes that if it transfers the media to a third party, it will notify ARTISJUS in writing within five days and certify the third party's compliance with the conditions set out in Section 3.3.1 in accordance with this section, or otherwise to pay to ARTISJUS the blank recordable media levy within 15 days from the lapse of the deadline for the written notice.

- c)* an invoice and a delivery note verifying the performance of the sale and purchase contract for blank rewritable recordable media or any other contract for the transfer of blank recordable media on any other grounds within the scope

of Section 20 of the Copyright Act and of this Tariff Announcement, or, instead of the delivery note, any other document that proves what number and types of blank recordable media have been physically delivered to the buyer (end user) under the contract; and

d) a statement by the person required to pay the remuneration that this person agrees to promptly notify ARTISJUS if the contract is amended or terminates.

3.4 If the terms of exemption are met and the person required to pay the remuneration has submitted each document listed in Section 3.3 to ARTISJUS, ARTISJUS will issue a certificate containing the following:

a) data of identification of the manufacturer of blank visual or audio recordable media, of the person liable to pay the customs duty (if the media are manufactured abroad) or of the importer (if no customs duty is payable);

b) data of identification of the person (end user) purchasing the exempted blank media;

c) the number and types of exempted blank recordable media according to the classification of this Tariff Announcement; and

d) the duration of exemption.

3.5.1 If the person obliged to pay the remuneration or the person acquiring the blank recordable media (the end user) claims exemption on the grounds specified in Section 3.3.1 after the remuneration has been paid, ARTISJUS will reimburse the person obliged to pay the remuneration for the amount of remuneration actually paid if all the conditions set out below are met:

a) the claim for reimbursement of the remuneration is submitted to ARTISJUS in writing in the same year in which the remuneration was paid; and

concurrently with this

b) the documents specified in Section 3.3.2 are submitted to ARTISJUS; and

c) the invoice that contained the remuneration concerned by the reimbursement claim is specified and the recordable media concerned is listed in an itemised manner; and

d) each of the security holograms removed from the recordable media is returned to ARTISJUS in a way that serial numbers can be identified.

3.5.2 ARTISJUS will pay the remuneration to the person acquiring the blank recordable media (the end user) if the person obliged to pay the remuneration assigns his/her claim for reimbursement of the amount of the remuneration to this person, and submits to ARTISJUS the assignment document relating thereto, which must also include the instruction for performance indicating the amount of remuneration paid, as well as the name and data of the assignee and the assignor.

3.5.3 ARTISJUS will return the remuneration within 60 days from the date of submission of the complete documents specified in Sections 3.5.1 and 3.5.2.

3.6 For the purpose of allowing compliance with the exemption terms to be checked and determining the numbers of exempted and non-exempted blank recordable media, manufacturers of blank recordable media, importers of such goods without a customs duty payment obligation or the first domestic distributor of the imported goods must report to ARTISJUS the data specified in Section 22(1) of the Copyright Act even if they are exempted from the remuneration payment obligation. Persons applying for exemption under Section 3.3, 3.4 or 3.5 must inform ARTISJUS in respect of which blank recordable media they intend to verify the applicability of the exemption (they must specify at least the quantity and the type of media).

3.7.1 The end user of the blank recordable media qualifying as a person entitled to make copies under Section 35 (1) of the Copyright Act who uses the blank recordable media only for recording and/or copying his/her own work or performance created in the scope of his/her own creative activity and certifies this to ARTISJUS in a credible manner may be exempted from payment of the remuneration for blank recordable media via reimbursement of the remuneration paid included in the price of the blank recordable media via the mutatis mutandis application of Sections 3.3-3.5, except for Section 3.5.2.

3.7.2 In the scope of the certification of the conditions set out in Section 3.5.1 (b) and (c), the end user must submit to ARTISJUS:

a) the invoice or other accounting document evidencing the purchase of the blank recordable media subject to this Tariff Announcement, which contains the name of the seller, the designation and quantity acquired of the blank recordable media and the date of performance;

b) the itemised list of the media concerned, and in connection with this, the hologram sticker removed from the media in a manner so that it can be identified by serial number;

c) the end user's statement regarding

ci) the kind of creative activity he/she conducts; and

cii) that the blank recordable media concerned by the reimbursement claim:

- will only be used in the scope of own creative activity of the end user making the statement, and at the time of reporting the end user making the statement only stores on the media works and/or performances created by him/her, the copyrights and/or neighbouring rights of which he/she holds;
- will not be used for making copies of the works and/or performances specified in Section 20(1) of the Copyright Act, the economic rights of which are held by another person;
- will not be resold or gifted;
- will not be transferred to other persons authorised to make copies in accordance with Section 35 (1), (4), (5) or (7) of the Copyright Act; and

ciii) the manner he/she will ensure that the conditions set out in paragraph *cii)* will be met in the course of the further use of the media; and

d) it allows ARTISJUS to check compliance with the conditions set out in this section either by presenting the media for individual examination or by authorising another person to present the media for individual examination. In this latter case, ARTISJUS will be obliged to handle the data recorded on the media confidentially and may not copy the content thereof.

4. Electronic correspondence: ARTISJUS may provide for correspondence with the payer of the remuneration by electronic means. In this case, electronic correspondence between ARTISJUS and the payer of the remuneration will be governed by a separate agreement.

III. Proof of remuneration payment

1. Trademark licence

In connection with the enforcement of remuneration claims regarding recordable media concerned by this Tariff Announcement, ARTISJUS grants a non-exclusive and non-transferable trademark licence free of charge to the person paying the remuneration under Section 20(2) of the Copyright Act to use the “ARTISJUS” trademark in accordance with Chapter III Sections 2 and 3. The use of the “ARTISJUS” trademark in accordance with the Tariff Announcement, unless proven to the contrary, verifies that the remuneration has been paid. The trademark also qualifies as rights management data (Section 96(2) of the Copyright Act) and it may not be removed or changed without authorisation.

2. Carrier of the trademark

The carrier of the trademark is a hologram sticker issued by ARTISJUS with optical security features (i.e. with a hologram) that the person paying the remuneration under Section 20(2) of the Copyright Act is authorised to use free of charge in a number determined by the amount of remuneration collected from this person. The hologram sticker carrying the trademark remains the property of ARTISJUS.

3. The use of the trademark and the hologram sticker carrying the trademark

Persons that have paid the remuneration under Section 20(2) of the Copyright Act have the right and the obligation to place (stick) the hologram sticker carrying the trademark on the blank recordable media before it is distributed. The hologram sticker must be placed (stuck) directly on the audio or visual recordable media. If this is impossible, the hologram sticker must be placed on the unopened packaging of the media without blocking other rights management information or other marking of product and in a way that the hologram sticker cannot be removed from the packaging without damage to the hologram sticker. The hologram sticker must be placed on the product immediately after it is received but within a maximum of 5 business days. The hologram sticker may only be placed on copies for which the remuneration has been paid. It is not permitted to use the trademark in a way other than as described above. Persons that have paid the remuneration may not allow third parties to use the trademark and they may not transfer possession of hologram stickers that have not been placed (stuck) on media to third parties. Neither the person that has paid the remuneration under Section 20(2) of the Copyright Act nor any other person may demand or accept any consideration (value) in exchange for allowing the trademark to be used or for handing over the hologram sticker. ARTISJUS will only allow the hologram sticker carrying the trademark to be used by the person that has paid the remuneration if the relevant recordable media are still in the possession of the person that has paid the remuneration. The person paying the remuneration must provide conclusive proof of this before the hologram stickers are handed over. The effect of the trademark licence terminates when the product is first placed on the market legally.

IV. Effective period of the Tariff Announcement

This Tariff Announcement shall be in force from 1 January 2020 to 31 December 2020.

*Society ARTISJUS Hungarian Bureau for the
Protection of Author's Rights (ARTISJUS
Magyar Szerzői Jogvédő Iroda Egyesület)*

I hereby approve of the tariff schedule in accordance with Section 145(2) of the Collective Rights Management Act.

Budapest, 2019

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