

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

on mechanical remunerations for musical works reproduced on phonograms, integrated into films, or reproduced in videos or on DVD (M21)

ARTISJUS hereby establishes the following tariffs in accordance with the provisions of Section 16(1), Section 18 and Section 19(1) of Act LXXVI of 1999 on Copyright (hereinafter: Copyright Act) and Sections 146(1) and 59(1) of Act XCIII of 2016 on the Collective Management of Copyrights and Rights Related to Copyrights (hereinafter referred to: Collective Rights Management Act) to be paid for licensing the reproduction and/or distribution of non-stage musical works and lyrics and parts of stage musical works, as well as other terms and conditions of such use:

Chapter I

Remuneration rates

1. Phonogram

1.1 In the case of traditional phonogram releases, a remuneration per copy amounting to 8% of the consumer price (excluding VAT) or 11% of the net transfer price (excluding VAT) of the phonogram publisher (published price to dealer, hereinafter: PPD) whichever is higher, but at least the minimum remuneration per copy as set out below, shall be paid:

Designation	International abbreviation	Max. minutes	Max. no. of works	Max. no. of parts of works	Min. rem. (HUF)
			Or		
VINYL RECORD					
45 RPM 17 cm Single	S	8	2	6	40
45 RPM 17 cm EP	EP	16	4	12	54
45 RPM Maxi Single	DS	16	4	12	54
Disco Single Remix	RDS	16	4	12	60
Maxi Single Remix	RMS	16	4	12	60
LP 33 RPM 17 cm EP	EPM	20	6	18	63
LP 33 RPM 25 cm	MLP	30	10	24	80
LP 33 RPM 30 cm	LP	60	16	28	160
LP Compilation	LP2	60	20	33	160
LP (content identical to CD LP)	LP3	80	20	40	160
LP (content identical to CD)	LP4	80	24	48	200
COMPACT DISCS (CD)					
CD Single 2 works	SCD	12	2	6	50
CD Singles	CDS	23	5	12	80
CD Maxi-single	CDM	23	5	12	80
CD Maxi single remix	RCD	23	5	12	80
EP CD	EPCD	40	10	24	110
CD-LP	CD	80	20	40	180
CD Compilation	CD2	80	24	48	220
SACD	SA	80	20	40	200

SACD Compilation	SA2	80	24	48	220
MUSICASSETTE (MC)					
MC single	SMC	8	2	6	38
MC maxi	MMC	16	4	12	54
MC EP	EMC	16	4	12	58
MC Remix	RMC	16	4	12	58
MC	MCP	30	10	24	63
MC LP	MC	60	16	28	100
MC Compilation	MC2	60	20	33	120
MC (content identical to CD)	MC3	80	20	40	150
MC Compilation (content identical to CD Compilation)	MC4	80	24	48	170
Double MC	DMC	120	32	56	200
MINIDISC					
MD Single/Maxi Single	MDS	23	5	12	90
MD Maxi Remix	MDR	23	5	12	90
MD EP	MDP	30	10	24	160
MD Compilation	MD2	80	24	48	210
DVD AUDIO					
DVD Audio		80	20	40	180
DVD Audio		120	24	48	220
DIGITAL COMPACT CASSETTE					
DCC	DC	80	20	40	210
DCC Compilation	DC2	80	24	48	210

If musical works are reproduced on the phonogram in excess of the number of works or the maximum period of time specified in the table above, an additional remuneration minimum of HUF 13 per work and recording is payable.

1.2 In the case of aftermarket manufacturing and reissue of previously released phonograms at reduced prices, the publisher of the phonogram may receive the following remuneration discounts from the minimum remunerations specified in Section 1.1:

1.2.1 a discount of up to 25% if all of the following conditions are met:

- the phonogram was released more than one year ago,
- the published price of the phonogram does not exceed HUF 1,000 for CDs, excluding VAT;

1.2.2 a discount of up to 50% if all of the following conditions are met:

- the phonogram was released more than two years ago,
- the published price of the phonogram does not exceed HUF 700 for a CD, excluding VAT.

The remuneration discounts under Section 1.2 shall not apply to remunerations determined as a percentage in accordance with Section 1.1.

1.3.1 If the phonogram publisher releases a publication consisting of a CD and a DVD with the aim of better marketability, it may receive a remuneration discount of up to 50% from the remuneration minimums referred to in Section 1.1 for the CD or DVD with the lower remuneration minimum. The remuneration discount shall not apply to remunerations determined as a percentage in accordance with Section 1.1.

1.3.2 If the phonogram publisher releases a publication containing at least two audio recordable media included in the COMPACT DISC (CD) category as per Section 1.1, it may receive a remuneration discount of up to 25% for two CDs, up to 30% for three CDs and up to 35% for four or more CDs included in the publication, from the minimum remunerations specified in Section 1.1. The remuneration discount shall not apply to remunerations determined as a percentage in accordance with Section 1.1.

1.4 In the case of release on so-called DualDisc media (the same media having both DVD and CD sides), remunerations in the percentage and rates set out in Section 1.1, but a remuneration minimum of at least HUF 250 per media, shall be paid.

1.5 For audiobooks (a prose performance of literary works by a performer), the amount of the remuneration minimum payable for the authorisation to release musical works on phonograms, as specified for CDs and MCs in Section 1.1, in line with the type and full duration of the media, determined as a ratio of the duration of the copyrighted works to the total duration of the phonogram, is payable as remuneration.

1.6 Other recording/copying and distribution (release) of musical works

If the musical works are released on media other than as specified in Sections 1.1 to 1.6,

- a remuneration of HUF 25 per work and recording is payable;

- in the case of reproduction of a music album, the remuneration specified for CDs in Section 1.1 is payable. If musical works belonging to the same music album are reproduced on the media in excess of the number of works or the maximum period of time specified in Section 1.1 above, an additional remuneration of HUF 13 per work and recording is payable.

2. CD-ROM, DVD-ROM

A remuneration of HUF 5 for each minute of music started is payable for releasing a CD-ROM or DVD-ROM containing music.

3. VHS, CD Video

a) In case of releasing films with a predominantly musical content (concert, musical portrait, clip, etc.):

6% of the consumer price (excluding VAT) or 7.5% of the PPD (whichever is higher) but at least the minimum remuneration specified for MCs in Section 1.1 for the time of music used, is payable;

b) For the release of feature and other films:

4% of the consumer price (excluding VAT) or 5.5% of the PPD* (whichever is higher), but at least the following remuneration minimum is payable.

Total playback time	Minimum remuneration*
up to 30 minutes in length	HUF 31
exceeding 30 minutes in length, up to 60 minutes	HUF 52
exceeding 60 minutes in length, up to 90 minutes	HUF 62
exceeding 90 minutes in length, up to 120 minutes	HUF 83
exceeding 120 minutes	HUF 104

Remunerations shall be paid in proportion to the actual music usage (pro rata temporis) in relation to the total playback time of VHS or CD Video.

4. DVD Video, Blu Ray, HD DVD (High Definition Digital Versatile Disc)

a) In case of releasing films with a predominantly musical content (concert, musical portrait, clip, etc.):

6% of the consumer price (excluding VAT) or 7.5% of the PPD (whichever is higher) but at least the minimum remuneration specified for CDs in Section 1.1 for the time of music used, is payable;

b) For the release of feature and other films:

4% of the consumer price (excluding VAT) or 5.5% of the PPD* (whichever is higher), but at least the following remuneration minimum is payable.

Total playback time	Minimum remuneration
up to 60 minutes in length	HUF 20
60 to 120 minutes	HUF 30
exceeding 120 minutes	HUF 45

* Remunerations shall be paid in proportion to the actual music usage (pro rata temporis) in relation to the total playback time of the publication.

c) In the case of aftermarket manufacturing and reissue at reduced prices of films previously released on the media specified in this Section, the publisher may receive a discount of up to 50% of the remuneration minimums as per Section 4(a) and 4(b) if both of the following requirements are met:

- the film was released more than two years ago,

- the published price of the publication does not exceed HUF 700, excluding VAT.

The remuneration discount shall not apply to remunerations determined as a percentage in accordance with Section 4(a) and 4(b).

5. On media not mentioned in Sections 3 and 4 (e.g. USB stick, memory card, etc.)

a) for films with a predominantly musical content (concert, musical portrait, clip, etc.), a remuneration of HUF 25 per musical work included in the film and per recording shall be payable;

b) for feature and other films, the remuneration as per Section 4(b) shall be payable.

6. Jukeboxes

a) The user of jukeboxes (e.g. jukebox, musicbox, and other devices where the music to be played is copied to their storage) shall pay remunerations of HUF 14,546 per jukebox and per calendar year with regard to the reproduction of musical works in the jukebox storage for the purpose of public performance.

b) By paying the remuneration, the user is granted a licence to use an unlimited number of musical works in the jukebox as per point (a) above during the validity of the licence. The licence covers the calendar year for which the user has paid the remuneration. The user

shall obtain a licence by paying the remuneration for any newly obtained jukeboxes before the start of use. For jukeboxes already in use in the year preceding the current year, the user shall obtain the licence for the current year by paying the remuneration no later than on 28 February in the current year.

c) The user shall pay the full remuneration for the licence for the calendar year as above, even if the jukebox is not operated in the entire calendar year or is destroyed during the calendar year. In the event a new jukebox is installed by the user during the year after 1 July of the current year, the user may obtain the licence before starting to use the jukebox by paying half the remuneration referred to in point (a).

d) Notwithstanding points (a) to (c), the user may choose to pay a remuneration of HUF 156 per jukebox, work and recording with regard to the reproduction of musical works in the jukebox storage for the purpose of public performance. The user may make use of this option for a jukebox in respect of which it has no remuneration debt. In the case of an existing jukebox, the user shall communicate this choice to ARTISJUS by 31 January of the current year and, in the case of a jukebox installed during the year, before the jukebox is put into service.

e) Before the conclusion of the contract, and thereafter annually, the user shall disclose the unique serial number or other irremovable and verifiable unique identifier of each jukebox, the place of operation and the data of the works reproduced in the jukebox to ARTISJUS by 31 January of the year following the current year. The data shall be disclosed using the form designated for this purpose by ARTISJUS.

f) Irrespective of the data disclosure as per point (e) above, the user shall disclose to ARTISJUS in writing any change in the data listed in point (e); the disclosure shall be made before such change but no later than at the time of change.

g) In the event of late compliance by the user with the data provision obligation as per points (e) and (f) above, the user shall pay a late payment penalty for the period of this delay. The penalty shall be HUF 156 per jukebox affected by the delay and per day for each day of the delay, up to a maximum of 90 days. If the user fulfils the data disclosure obligation as per points (e) and (f) incompletely or defectively, the user shall pay a penalty for defective performance from the deadline for data disclosure until the date the user has properly disclosed the data, the amount of which shall be equal to the amount of the late payment penalty.

7. In the case of recording musical works for public performance not covered by Chapter I, Section 6:

- if recorded on a CD or DVD, a minimum remuneration specified for CDs in Section 1.1 shall be payable per disc. If musical works are reproduced on the media in excess of the number of works or the maximum period of time specified in Section 1.1 above, an additional remuneration of HUF 26 per work and recording shall be payable;

- if recorded on other media (e.g. if recorded on a computer hard drive), a remuneration of HUF 26 per work and recording shall be payable.

Chapter II

Common provisions

1. The remuneration minimums set out in Chapter I shall also be paid where the publication containing the phonogram or film is distributed free of charge (gift, promotional publication, etc.).

2.1 The remunerations set out in this Tariff Announcement have been determined on the basis of the copyright protection of the entire music on the media. In the case of the use of unprotected musical works, the remunerations payable shall be adjusted to the proportion of the protection of all musical works used.

2.2 In the cases specifically determined in Chapter I, remunerations shall be paid in proportion to the actual music usage (pro rata temporis) in relation to the total playback time of the publication and/or media. These provisions shall apply where the user discloses credible data necessary for calculating the ratio to ARTISJUS prior to the commencement of use. In the event of failure to disclose the data or defective disclosure by the user, the pro rata temporis rule shall not apply and the user shall pay the full remunerations specified in the relevant section of Chapter I in exchange for the licence.

3. Where reproduction authorised under this Tariff Announcement is performed to media with an empty carrier capacity for private copying covered by Section 20(1) of the Copyright Act, the ARTISJUS Tariff Announcement with a sign "I", valid at the given time, shall apply mutatis mutandis to that effect.

4.1 On the basis of this Tariff Announcement, the granting of the licence for use is subject to the payment of the remuneration. The user shall obtain the licence once it pays the remuneration. The time of payment of the remuneration shall be the time when the remuneration has already been received to the account of Artisjus, and both the user paying the remuneration and the use for which the user wishes to receive the licence is identifiable by Artisjus. Artisjus is entitled to set off any overpayment of remuneration by the user against the user's overdue unsettled remuneration payments.

4.2 By paying the remunerations laid down in Chapter I, the user shall obtain a licence for the use specified in the introductory text of each of the sections in Chapter I. The user obtains a licence to distribute the reproduced work, except for the rental or lending of the copy, if this is expressly referred to in the relevant section of Chapter I with reference to distribution or publication.

5.1 ARTISJUS calculates the remuneration based on the accounting and data disclosure by the user at the time of concluding the licence agreement, in accordance with this Tariff Announcement and the provisions of the licence agreement. Where the accounting provided by the user is incomplete, ARTISJUS may determine the remuneration to be paid based on the data available to it. Remunerations shall be paid by the date of commencement of use (due date).

5.2 In the event of late payment of the remuneration by the, the statutory default interest set out in the Act on Hungarian Civil Code (hereinafter: Civil Code) shall be calculated from the day after the due date of the remuneration set out in Section 5.1. If the user concluded a licence agreement with ARTISJUS and the user falls behind with the remuneration payment, it shall also pay a flat-rate reimbursement for debt collection costs.

5.3 The licence agreement concluded with the user may specify the due date of payment of remunerations differently from the date specified in Section 5.1. In the event of the user's failure to pay the remunerations within the time limit (deadline) specified in the contract and thus to obtain a licence for use, it shall pay the statutory default interest under the Civil Code from the day after the start of use.

5.4 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 shall be interrupted by a notice sent to the user regarding the remuneration, a notice instructing the user to pay the remuneration or a notice instructing the user to disclose any data required for calculating the remuneration, as well as any notice sent by the user to ARTISJUS. The limitation period is suspended until ARTISJUS becomes aware of the use.

6.1 In addition to paying the remuneration, the user shall disclose the data required for calculating the remuneration (accounting), as well as the data required for distributing the remuneration (data disclosure) as set out in Section 16(7) of the Copyright Act and Section 59(1) of the Collective Rights Management Act. The user performs its accounting obligation by disclosing the data required for the calculation of the remuneration based on this Tariff Announcement and the licence agreement. The user shall fulfil its data disclosure obligation by disclosing the data of the musical works used and the circumstances of use as required by this Tariff Announcement and the licence agreement. The user shall fulfil its accounting and data disclosure obligation at the same time as the conclusion of the licence agreement, having regard to Sections 4.1 and 5.1.

6.2 The user shall fulfil the accounting and data disclosure obligation in the form and manner and with the content specified in the licence agreement concluded based on this Tariff Announcement.

6.3 Unless otherwise specified in the licence agreement, the user shall disclose to ARTISJUS the number, title, author (translator, adaptor) and performer of the musical works reproduced and distributed on the media, for each medium, by indicating the type of medium, along with the language of the performance, length of the musical works and total playback time of the publication, the consumer price and published price of the publication, year of placement on the market, production number, the reproducer's name and contact details, as well as the ISRC code for each audio recording.

6.4 Unless otherwise specified in the licence agreement, the user shall, at the request of ARTISJUS, disclose within 15 days the details of the reproduction of the media, in particular the method, place and date of reproduction, the identification of the person carrying out the reproduction, the storage and/or warehousing data of the media, in particular the place of storage or warehousing, and the transport data of the media, as well as details of the wholesale and retail distribution of the media, in particular the method of distribution, the distributing persons, the date of distribution, the distributed quantity and other details of distribution.

6.5 ARTISJUS or its agent may verify the data underlying the remuneration accounting, the manner and extent of the use of the works, such as production, stored stock and compliance with the conditions of trademark use as per Section 9 both at the user's registered address or place of business and at the place of reproduction and storage. ARTISJUS is entitled to verify – either directly or through an agent – performance of the user's accounting and data disclosure obligation and the itemised accounts of the service provider performing intermediary and debt collection services for it at a time mutually agreed with the user.

6.6 Upon ARTISJUS's request, the user shall present the accounting documents and accounting records, as well as other documents and certificates which credibly evidence the data indicated in the accounts and the data disclosure within 15 days.

6.7 If the user falls behind with the fulfilment of any data disclosure obligation set out in Sections 6.1 to 6.4 or 6.6 and fails to remedy this in spite of a written warning received from ARTISJUS within the additional deadline set out therein (which may not be less than 10 days), it shall pay a penalty for late performance for the period between the deadline for data disclosure and the day on which the obligation is fulfilled correctly. The daily rate of the penalty for the delay is 0.5% of the remunerations payable by the user in relation to the use affected by the delay, but at least HUF 300 per day. A penalty of HUF 300 for each day of delay is payable also by users whose lack of data disclosure prevents calculation of the amount of remuneration payable. The penalty shall not exceed 30% of the remuneration payable by the user.

6.8 If the user fulfils any data disclosure obligation set out in Section 6.1 to 6.4 or 6.6 defectively or with deficiencies and fails to remedy this in spite of a written warning received from ARTISJUS within the additional deadline set out therein (which may not be less than 10 days), it shall pay a penalty for defective performance for the period between the deadline for data disclosure and the day on which the obligation is fulfilled correctly. The rate of the penalty for defective performance corresponds to the rate of the penalty for delay determined in Section 6.7.

7. If, according to this Tariff Announcement, the remuneration is payable in proportion to the revenue, the basis of the remuneration payment shall be the net (exclusive of VAT) amount of the revenue.

8.1 With users with no remuneration debt owed to ARTISJUS, ARTISJUS may – in lieu of a licence agreement for ad hoc, itemised or % payment of remuneration as provided for in the relevant provisions of this Tariff Announcement – conclude a licence agreement authorising the continued reproduction, distribution and periodic accounting of a large group of phonograms or films if the relevant user

- has been a legitimate phonogram or film publisher for a longer period of time;
- continuously markets a large number of publications containing phonograms or films;
- provides security deposit in the amount specified in the licence agreement to secure the payment of remunerations;

and the particular circumstances of use or the significant extent of the use and the remuneration to be paid by the user enable and justify the conclusion of a licence agreement as per this Section with the relevant user.

8.2 In the context of traditional phonogram release, ARTISJUS concludes the licence agreement qualifying for the discount under Section 8.1 in accordance with the terms of the BIEM-IFPI international phonogram licensing framework agreement.

8.3 By maintaining the principles of similar uses covered by Chapter I and the proportions of remunerations established for them, ARTISJUS may grant a quantitative remuneration discount to a user with no remuneration debts owed to ARTISJUS and that releases at least 3,000 copies of a licensed publication, such discount to be determined by the number of copies of the publication and the number of musical works used and the proportion of music used in the publication.

8.4 ARTISJUS may grant a remuneration discount of up to 30% of the remunerations applicable to the publication under Chapter I to a user with no remunerations debt owed to ARTISJUS and that publishes a publication of special distribution (e.g. book supplement) as an integral part of another non-musical publication so that the individual distribution of the former is excluded.

8.5 When concluding the licence agreements under this Section, there may be no unjustified discrimination between the relevant users; i.e., the same discount shall be offered if the circumstances are the same.

9. ARTISJUS may provide for correspondence with the user by electronic means. In this case, electronic correspondence between ARTISJUS and the user shall be governed by a separate agreement.

10. The remuneration rates specified in this Tariff Announcement do not include VAT. Remunerations must be paid inclusive of VAT at the effective rate.

Chapter III

Trademark licence, protection of rights management data

The “ARTISJUS” logo shall be displayed on each medium released under the licence of ARTISJUS with the content and in the number of copies authorised in such licence. When used within the meaning specified in this Section, the “ARTISJUS” trademark constitutes rights management data (Section 96(2) of the Copyright Act) and may not be removed or changed without authorisation.

In order to allow the publisher to fulfil this obligation, ARTISJUS grants a trademark licence to the publisher of the audio or video recording to use the name “ARTISJUS” as a text trademark.

Chapter IV

Effective period of the Tariff Announcement

This Tariff Announcement shall be in force from 1 January 2021 to 31 December 2021.

*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, 2020

.....

Minister of Justice