

ANNUAL REPORT

For the work of ZAMP Macedonia in year 2015



2015



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ANNUAL REPORT

for the work of ZAMP Macedonia in year 2015

Dear Sirs/Madams,

The Annual Report over the work of the Musical Copyright Society of Macedonia ZAMP comprises the main activities that were realized in the preceding year 2015.

1. ACTIVITIES RELATED TO THE CHANGES AND AMENDMENTS OF THE LAW ON COPYRIGHT AND RELATED RIGHTS

On August 27th 2015 the Assembly of the Republic of Macedonia adopted the Law on changes and amendments of the Law on copyright and related rights by shortened procedure and published it in the Official Gazette of Macedonia num. 154/15 of 04.09.2015. The above mentioned Law was brought without previous public debate and the opinion of the interested parties, in this case the authors.

The proposed changes of art.137 and the addition of the new points 4, 5 and 6 limited the reimbursement for the Radio and TV broadcasting of copyright works to 18, 12 and 6 average Macedonian monthly salaries per year. With point 12 the new changes and amendments excluded from payment of reimbursements several categories of users (taxi transport, public transport, museums, mountain resorts and lodges).

On the meeting of the Bodies of ZAMP that was held on September 10th 2015, the Board of Directors, the Assembly and the Supervisory Board of ZAMP brought the Decision that the harmful changes of the Law should be abrogated. The demand for abrogation of the harmful provisions was delivered to the all competent state bodies. This kind of reference was also made to CISAC and GESAC, as well as the Collective Management Societies from the ex Yugoslavian Republics that besides the demand for abrogation of the harmful provisions of the Law by December 31st 2015, also brought Decision that in contrary they will be forced to demand from ZAMP Macedonia to prohibit the public broadcasting and usage of copyright works that belong to their repertoire starting from January 1st 2016.

Concerning the fact that after all these demands and notices, the state authorities did not respond at all, nor the ZAMP representatives were invited to any kind of meeting, on December 21st 2015 the members of the Assembly of ZAMP brought consensual Decision to prohibit the Radio and TV broadcasting of musical copyright works of the ZAMP repertoire starting from January 1st 2016 until its withdrawal.

This act of prohibition of Radio and TV broadcasting of musical copyright works was also joined by the Collective Management Societies of the region – SOKOJ Serbia and HDS ZAMP Croatia.

Therefore, on December 25th 2015 ZAMP sent the official Prohibition for Radio and TV broadcasting of musical copyright works starting from 01.01.2016 to all of the Macedonian Broadcasters, the state authorities, as well as the Agency for audio and audiovisual medium services.

On December 31st 2015 in the Ministry of culture of Macedonia there was a meeting with the Minister of Culture of Macedonia Ms. Elizabeta Kancevska Milevska, the Minister of information society and administration Ms. Marta Arsovska Tomovska and the Presidents of the Board and the Assembly of ZAMP.

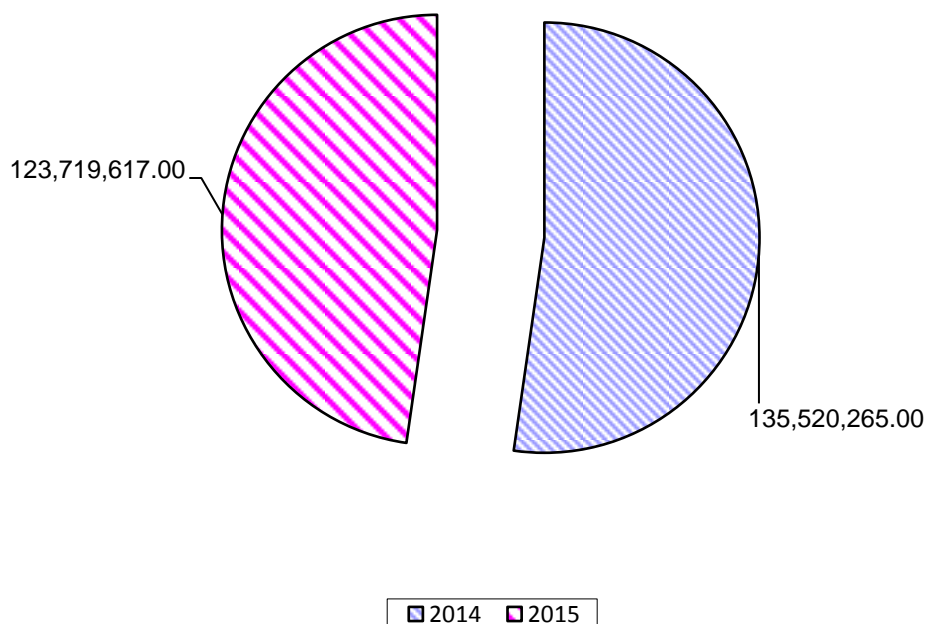
The meeting resulted with agreement according to which starting from 04.01.2016 and within 15 days, working group consisting representatives from the Ministry of culture, Ministry of information society and administration and ZAMP representatives will start to work on the new text of the Law on changes and amendments of the Law on copyright and related rights. At the same time

ZAMP suspended the prohibition until 20.01.2016 and informed the Radio and TV broadcasters for the achieved agreement with the Ministry of culture.

The working group was working on the reconciliation of the text of the changes and amendments of the Law on copyright and related rights until 25.01.2016. The demands of the authors for abrogation of the harmful provisions in art.137 point 4 and 5 – for deletion of the cap of the remuneration to no more than 6, 12 or 18 average monthly salaries in Macedonia for period of one year, were accepted. We didn't manage to obtain repeal of the provisions of point 12 of the same article referring to the exclusion from payment of certain categories of users. Due to the fact that the Ministry of culture accepted the abrogation of the harmful provisions, The Assembly of ZAMP gave its consent to the changes. The text of the Proposal changes and amendments of the Law on copyright and related rights passed the governmental procedure and by shortened procedure was adopted by the Assembly of Macedonia on 10.02.2016. The Law on changes and amendments of the Law on copyright and related rights was published in Official Gazette of Macedonia num. 27/16 of 15.02.2016.

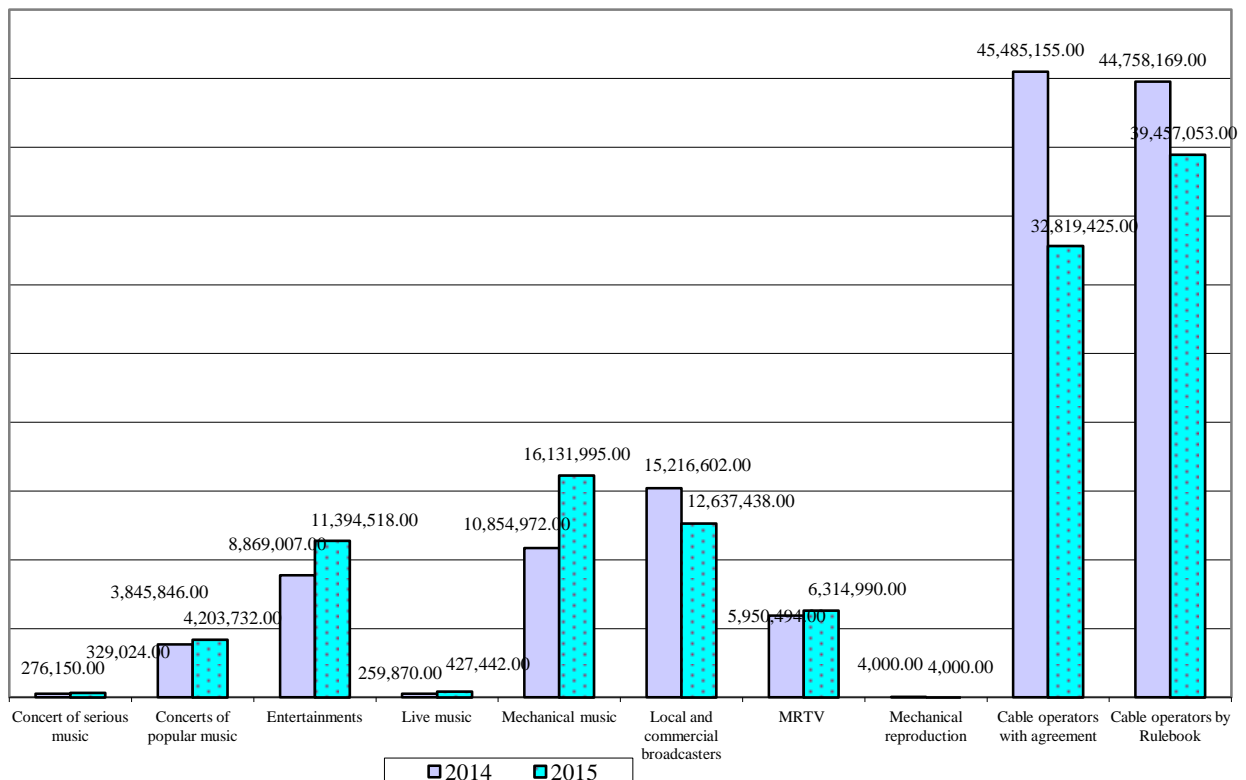
2. FINANCIAL DEPARTMENT

The total collection for year 2015 amounts 123.719.617,00 den. which in accordance with the year 2014 is decreased for 11.800.648,00 den. or 8.71%.

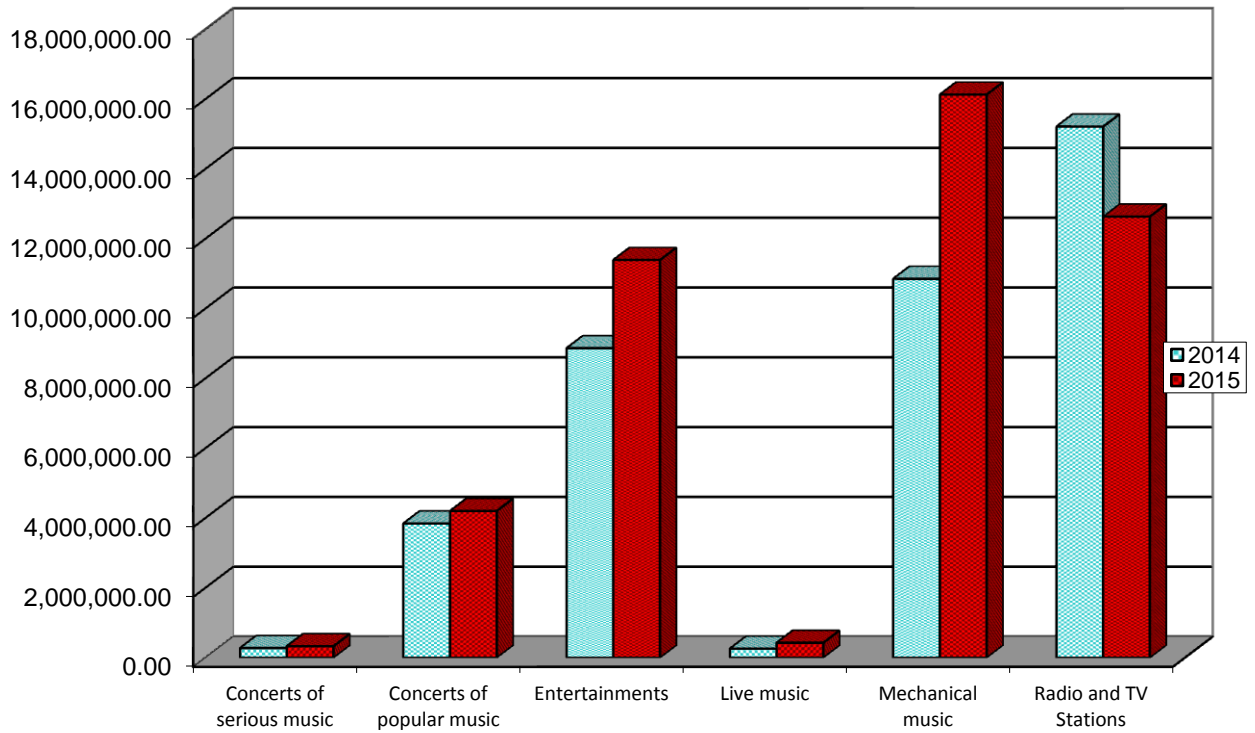


The collection per categories of payment in year 2015 in accordance with year 2014 amounts as follows:

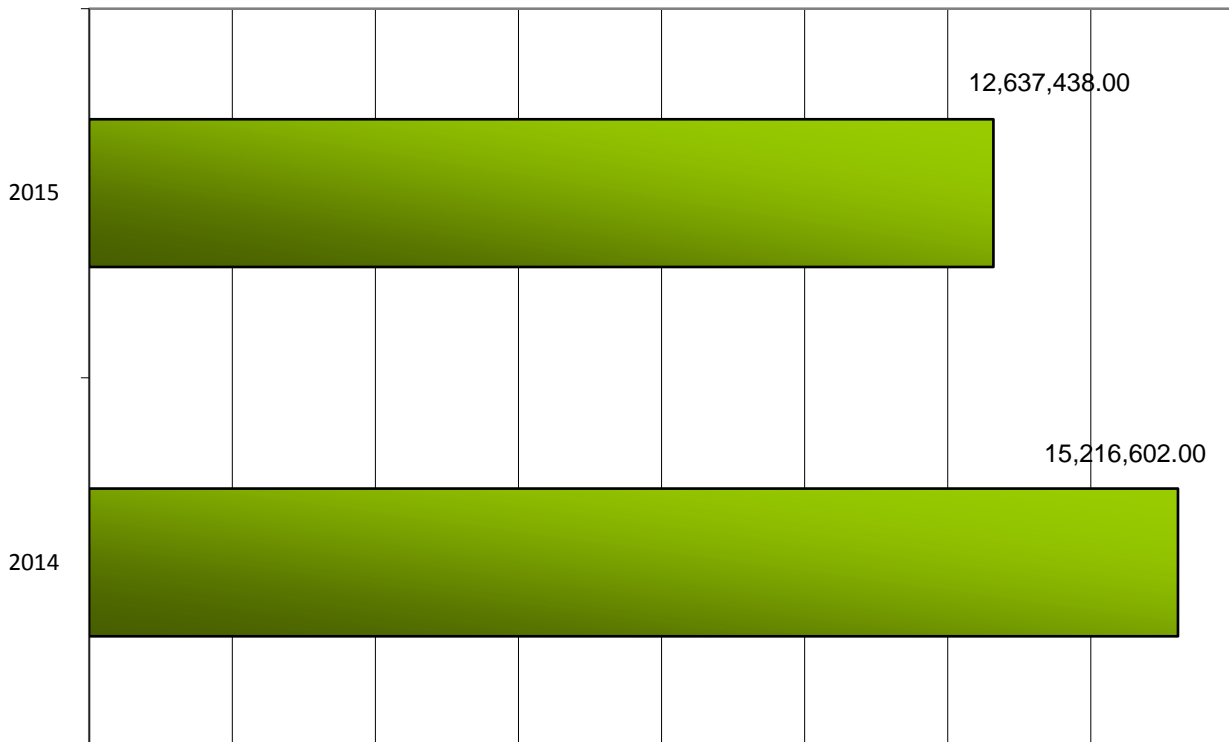
Num.	Categories of payment	Collection 2014	Collection 2015
1	Concerts of serious music	276,150.00	329,024.00
2	Concerts of popular music	3,845,846.00	4,203,732.00
3	Entertainments	8,869,007.00	11,394,518.00
4	Live music	259,870.00	427,442.00
5	Mechanical music	10,854,972.00	16,131,995.00
6	Radio and TV Stations	15,216,602.00	12,637,438.00
	Total (1-6):	39,322,447.00	45,124,149.00
7	MRTV	5,950,494.00	6,314,990.00
	Total (1-7):	45,272,941.00	51,439,139.00
8	Mechanical Reproduction	4,000.00	4,000.00
	Total (1-8):	45,276,941.00	51,443,139.00
9	Cable operators with Agreement	45,485,155.00	32,819,425.00
10	Cable operators by Tariff Rulebook	44,758,169.00	39,457,053.00
	Total (1-10):	135,520,265.00	123,719,617.00



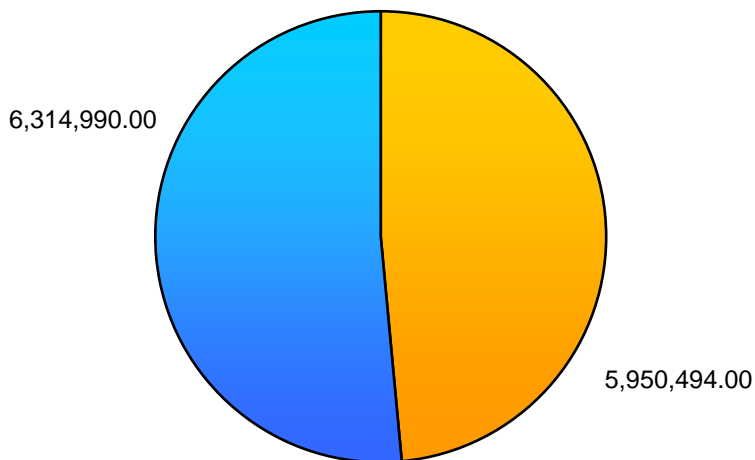
The collection per categories of payment from 1-6 amounts 45.124.149,00 den. which in accordance with year 2014 increased for 5.801.702,00 den. or increase for 14.75%.



The payment from the category 6-Broadcasters amounts 12.637.438,00 den.



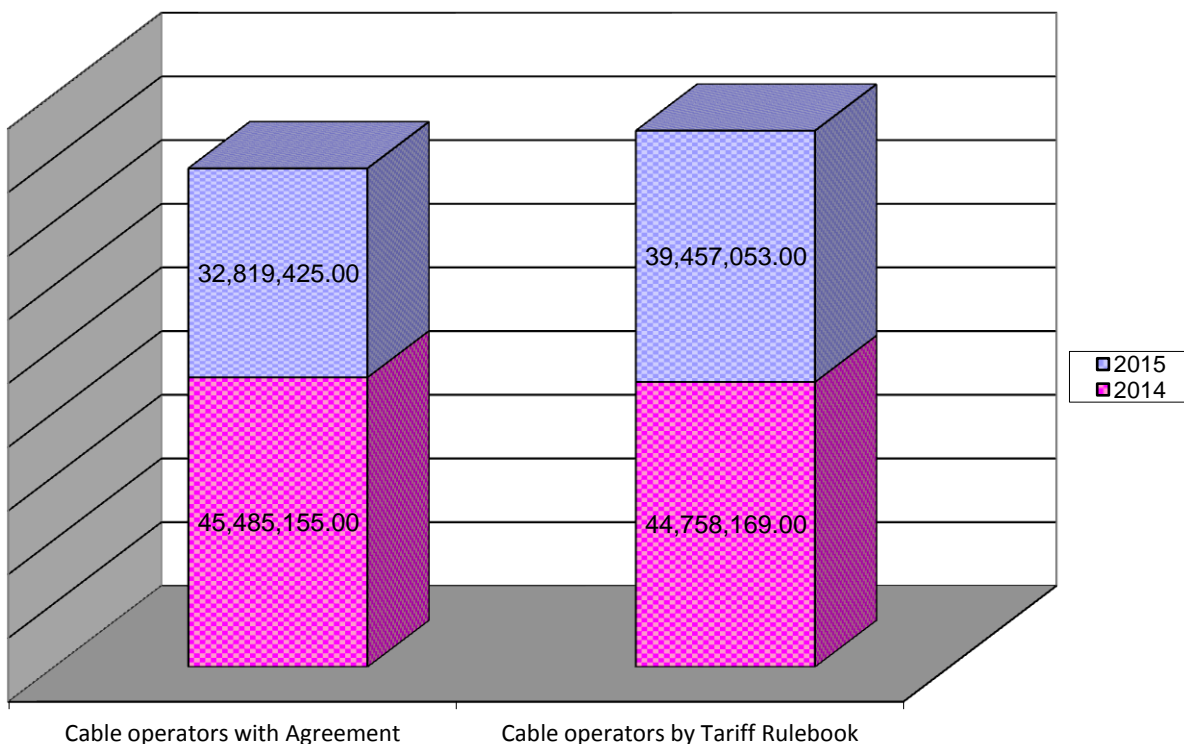
In year 2015 the payment from the national Broadcaster MRTV amounts 6.314.990,00 den.



■ MRTV 2014

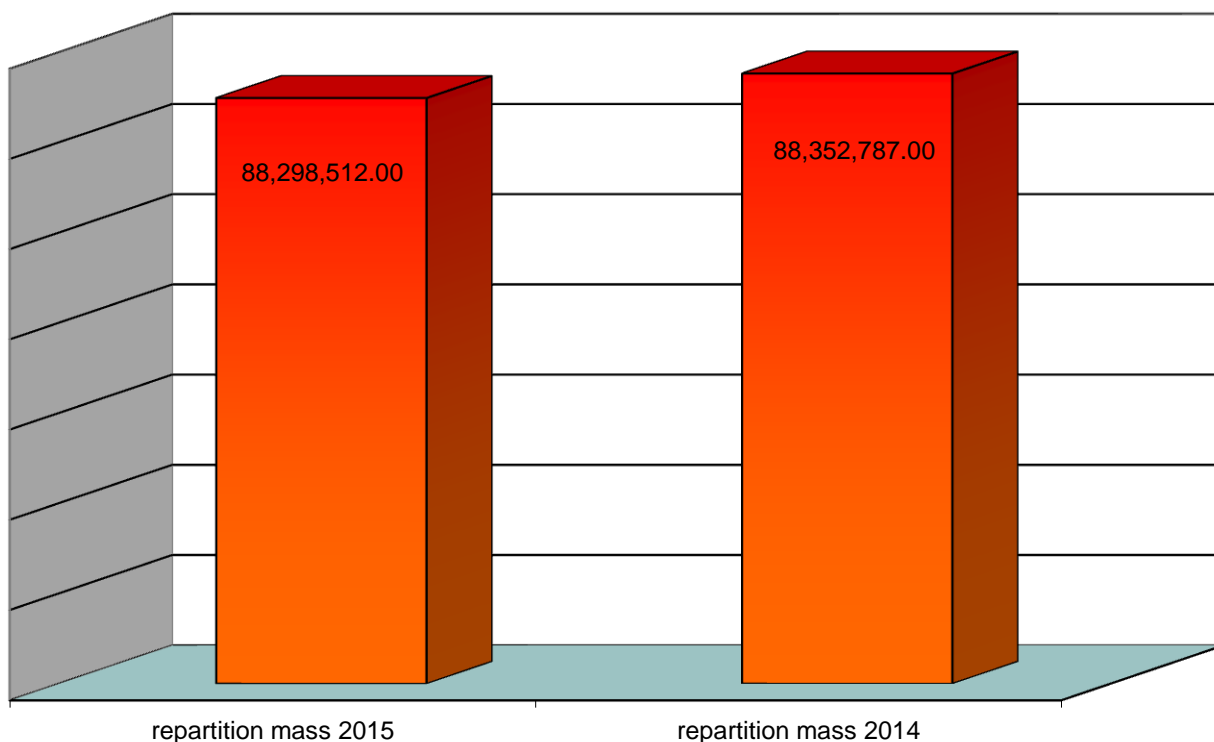
Concerning the above mentioned, the total payment in the categories 1-7 is 51.439.139,00 den. and it is increased for 6.166.198,00 den. or 13.62% according to the collection per categories of payment from 1-7 in the previous year.

The payment from the cable operators in 2015 amounts 72276478,00 den. which in accordance with year 2014 with payment of 90.243.324,00 den. decreased for 17.966.846,00 den or 19.91%.

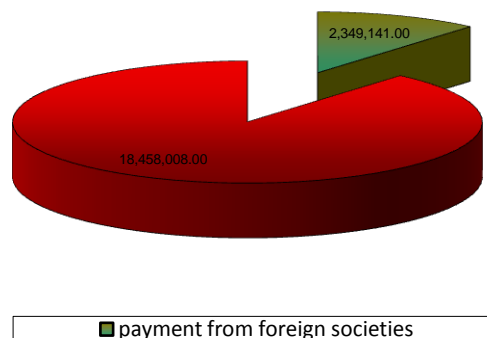


From the payment referring category 1-6 with amount of 45.124.149,00 den., the part that belongs to the authors with 85% amounts 38.355.524,00 den. This part is increased with the part from MRTV with amount of 5.367.741,00 den. This fund is also increased with the collection from mechanical reproduction 85% with amount of 3.400,00 den.; collection from cable operators with amount of 22.198.913,00 with divided part of 22% that belongs to CISAC in accordance with the signed Service Agreement between ZAMP and the rightsholders and the Tariff Rulebook for usage of copyright works with amount of 43.276.331,00 den.; the returned funds in 2015 due to the closed judicial cases with amount of 3.173.725,00 and incomes from interest of time deposits for 2015 with amount of 2.278.018,00; incomes due to cable retransmission of Macedonian TV channels abroad with amount of 291.832,00 den., incomes derived from exchange rate differences and disposal of fixed assets which forms the total amount for distribution for the repartition year 2015 with amount of 92.808.270,00 denars.

The total amount for distribution after the deduction according to the Decisions of the Bodies of ZAMP in accordance with all grounds (investments, legal fees for started court procedures, expenditures for Central registry of Macedonia, expert evidences, executors, payment due to the complaints related ti repartition year 2014 etc.) amounts 88.298.512,00 which in accordance to year 2014 with amount of 88.352.787, den. is decrease of 54.275,00 den. or 0.06%.



In accordance with the signed bilateral Agreements with the foreign Collective Management Societies, ZAMP collected reimbursements with amount of 2.349.141,00 den. from: AKM-Austria, APRA-Australia, ARTISJUS-Hungary, BMI-USA, GEMA-Germany, BUMA-Netherlands, HDS ZAMP-Croatia, JASRAC-Japan, IMRO-Ireland, PAM-Montenegro, PRS-UK, SGAE-Spain, SAZAS-Slovenia, SOCAN-Canada, SOKOJ-Serbia, SOZA-Slovakia, STIM-Sweden, SUISA-Switzerland, TEOSTO-Finland and TONO-Norway. To the foreign Societies ZAMP has made distribution with amount of 18.458.008,00 den.



The amount of abstracted 10% reimbursements on 31.12.2014 was 1.260.006,00 den. This amount was increased in accordance with the Decision of the Assembly for abstraction of reimbursements from Repartition fund on behalf of the domestic authors for 2014 of 2% and with amount of 1.703.639,00 den. These reimbursements were decreased for the expenses that were made during the year 2015 in accordance with the approved plan and the Decisions by the Assembly of ZAMP with total amount of 928.295,00 den. The Balance on 31.12.2015 amounts 2.035.350,00 den.

Concerning the Service Agreements GLA and LA for cable retransmission in 2015, ZAMP has made the payment for previous year to the rightsholders AGICOA, UBU and VG Media with amount of 25.044.123,00.

The reimbursements on the above mentioned ground derived from year 2015 that will be subject of payment in 2016 are amounting 18.599.460,00 den.

3. PERCEPTION DEPARTMENT

In accordance with the Law on copyright and related rights, the remuneration for usage of the works ZAMP is primary determining by signed Agreements with corresponding Societies of users, i.e. their Chambers that are representing the majority of users from certain activity or gathered activities.

In case when the remuneration can not be determined by signed Agreement with the users, it is calculated in compliance with the Rulebook with Tariff for usage of copyright works. The Rulebook with Tariff is defining the conditions for users (physical or legal entity) to communicate, i.e. publish musical works that are protected by ZAMP on the territory of Macedonia.

The perception department issues Licenses to the users (for concerts, dances and interpretations) that have signed the Agreement for exerting activities from the field of culture and in relation with the collective management with the musical copyrights.

There are many users against which in accordance with the secured evidences there are submitted 441 Proposals for drawing Decision for enforcement on the basis of credible document to authorized enforcement agents in Macedonia, in accordance with the territory and the competence of the Appellate Courts in Macedonia:

- On the territory of the Appellate Court in Bitola there are 180 cases (from the Primary Court of Bitola, Ohrid, Struga, Resen, Prilep, Makedonski Brod, Krusevo and Kicevo)

- On the territory of the Appellate Court in Stip there are 5 cases from the primary Courts of Stip, Kocani, Vinica, berovo, Delcevo and Makedonska Kamenica.
- On the territory of the Appellate Court in Skopje there are 139 cases.
- On the territory of the Appellate Court in Gostivar there are 117 cases.

4. REPARTITION DEPARTMENT

In 2015 the Repartition Department carried out activities that can be grouped in current activities and activities attempted in order to continue the trend of improvement of the activities in the department.

The 1st half of 2015 noted intensive activities related to the import of the data gained from the users, the update of the database, as well as the necessary changes in the scripts.

In March 2015 the Department exerted the Repartition for year 2014 which comprised 2533 authors. The regular Repartition also comprised the Repartition for the performances of copyright works in the field of concert activities, as well as the calculation related to the ringtones, polyphones of the users "ONE". On 31.03.2015 ZAMP realized the payment of the annual royalties to the domestic authors.

In the 1st and the 2nd quarter of 2014, the Department exerted the data import of the foreign copyright works exploited on the territory of Macedonia in 2014 and had regulated royalties. In October 2015 the Department exerted the Repartition for the foreign works exploited on the territory of Macedonia in 2014 and had regulated royalties. The payment of the reimbursements to the foreign Societies lead to the realization of the obligation that ZAMP owes to the foreign Societies with which it has concluded bilateral Agreements.

In the running year 2015, the Repartition Department also made the Repartitions for the domestic authors whose works were performed abroad and which had regulated the rights for their performances. In November 2015 ZAMP realized the payments to the following Societies: ACUM – Israel, AEPI- Greece, AKM-Austria, APRA-Australia, ARTISJUS-Hungary, BMI-USA, BUMA-Netherlands, HDS ZAMP-Croatia, JASRAC-Japan, LATGA-Lithuania, PAM-Montenegro, PRS-UK, SABAM-Belgium, SAZAS- Slovenia, SOCAN-Canada, SOKOJ-Serbia, SQN-Bosnia and Herzegovina, SOZA-Slovakia, STIM-Sweden, SUISA-Switzerland, TEOSTO-Finland and TONO-Norway.

In the field of Digital Services, ZAMP made new step forward and in June 2015 concluded Agreement with the popular Digital Service YOUTUBE and started the process of reception and processing of the reports.

In accordance with the changes and amendments of the Law on copyright and related rights, in year 2015 ZAMP had obligation to obtain and install the Software for monitoring and evidence of the broadcasted musical works in all of the Radio and TV Organizations on the territory of Macedonia. In January 2015 the Ministry of culture of Macedonia adopted the Decision for granting License for usage of the System for electronic evidence of copyright works. All of the Broadcasters in Macedonia were informed in due time for the System for electronic evidence and were requested to submit information concerning their computer configuration. After collecting all the relevant information for the actual computer configurations, ZAMP announced to the Broadcasters the installation of the System for electronic evidence.

In the legal deadline, the Software was successfully installed in 131 Radio and TV Organizations.

In order to additionally define and determine the technical characteristics of the System for electronic evidence, there was realization of meetings with the Ministry of culture and the Ministry for informatic society and administration of Macedonia.

For the purposes of the System for electronic evidence, in July 2015 in the Offices of ZAMP there was construction of Server Room in line with the prescribed standards for rooms of this type.

5. DOCUMENTATION AND INTERNATIONAL AFFAIRS DEPARTMENT

The basic task of the Documentation Department is to update the data of the authors and roghtsholders, as it is case with the personal data and the data for their works. In that sense, during the year 2015 the Documentation Department has registered 103 new authors and rightsholders that signed Agreement i.e. became members of ZAMP.

In 2015 new 3270 works were received and recorded.

The Documentation Department enters the data for our authors in the authors world base IPI CEA List, from where at the same time takes over the data for the foreign authors. Our database of foreign works is formed on the basis of the gained standardized data from the corresponding Societies or the world database of works CIS-Net, which is now open for online access.

We have to mention that a lot of authors whose works were performed in Macedonia and abroad, are delivering information about the place and the time of the performances of their works. The common communication with our authors , as well as the sister Societies results with increase of the royalties that we receive from the foreign sister Societies, with which ZAMP has concluded bilateral Agreements.

The number of signed Agreements for small rights is 53 and for mechanical rights is 16.

The European Committee of the Societies-members of CISAC was held in Tbilisi (Georgia) with the presence of 92 representatives from 53 Societies.

The 12th Regional Meeting took place in Ljubljana on 29.09.2015. There were the representatives from the collective Societies of the region: SAZAS-Slovenia, SOKOJ-Serbia, ZAMP-Macedonia, AMUS-Bosnia and Herzegovina, HDS-ZAMP-Croatia and PAM-Montenegro. The meeting was realized by the following agenda:

1. The adoption of the Report of the Regional Meeting in Skopje
2. The Process of the enforcement of the EU Directive 2014/26/EU
3. The Digital Services, licensing and data procession
4. The actual situation in the countries of the region
5. Conclusions

On 15th-16th October, around 60 representatives from 25 Societies from Asia, Latin America, Europe and Africa contributed on the Media Technical Committee of CISAC in Dubrovnik, Croatia. The discussions were focused on the newest problems regarding the online and broadcasting Licensing, as well as the possibilities for licensing creative works in the digital age.

Representatives from 21 Societies from Central and Eastern Europe were present on the Annual European Office Seminar in Budapest dedicated to the Binding Resolutions of CISAC.

For many years, the Professional and the Binding Resolutions of CISAC are part of the ongoing obligations of each Society, member of CISAC. Certainly, these Resolutions are subject of changes and amendments. This meeting was focused on the changes of the Binding Resolutions, the process of documentation, IPI, ISWC, the access to world databases of authors and works, adaptations and arrangements, the methods of distribution of royalties to the subeditors, unidentified works, lack of documentation, credit and debit in the distribution.

6. MEMBERSHIP FEES for CISAC, IPI System

From the funds of ZAMP in year 2015 there was payment of membership to CISAC with amount of 99.422,00 den. for the calendar year 2014, membership fee for usage of the IPI System for two years with amount of 284.257,00 den., fees due to the construction and the equipment of the Server Room with amount of 571.445,00 den. and fees for the procedure of Legalization of the business premises of ZAMP and the public utility fees with amount of 1.815.875,00 den.

The Report comprises the most substantial activities that marked this year as a result of the daily accomplishment of the obligations of the Administrative Service of ZAMP.

ZAMP
General Manager
Zoran Vaskovski





AUDIT REPORT 2015



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To:
The Management of the
Musical Copyrights Society of Macedonia - ZAMP
Skopje

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of Musical Copyrights Society of Macedonia - ZAMP, Skopje (in the following text "the Association"), which comprise the Balance Sheet as of 31 December 2015 and the Statement of Revenues and Expenses for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Accounting Law for Non-profit Organizations and the standards for reporting under the cash basis of accounting. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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To:
The Management of the
Musical Copyrights Society of Macedonia - ZAMP
Skopje

INDEPENDENT AUDITOR'S REPORT (Continued)

Auditor's opinion

In our opinion, the financial statements of Musical Copyright Society of Macedonia - ZAMP, give a true and fair view, in all material aspects, of the financial position of the Association as of 31 December 2015, as well as the operating results and the changes in the funds for the year than ended, in accordance with the Accounting Law for Non-profit Organizations and standards for reporting under the cash basis of accounting.

Skopje, 5 May 2016

Elena Petrovska - Lazarevski
Certified Auditor



Dragan Dimitrov
Manager

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