

Baltic Press Publishers' Collective Management Organisation (BPCMO)

GENERAL PRINCIPLES FOR DISTRIBUTION AND PAYMENT OF REVENUES

- 1) Revenues are distributed to BPCMO members and to news media publishers represented on any other legal basis (including a representation agreement or law) (hereinafter jointly referred to as news media publishers).
- 2) The distribution and payment of the licence and other similar fees collected by the BPCMO to news media publishers is based on the following principles:
 - 2.1. The news media publisher receives, in a manner to be determined by reasonable and proportionate measures, a share of the revenue from the licence and other similar fees to be distributed corresponding to the use of its rights.
 - 2.2. If the individual share of use of the rights of a news media publisher cannot be determined by reasonable and proportionate measures, general and non-discriminatory evaluation and distribution rules will be created in order to calculate the revenue payable to the news media publisher on the basis of a lump sum.
 - 2.3. When calculating and paying the licence and other similar fees collected by the Association to a news media publisher, individual settlement shall be performed which shall, inter alia, indicate the percentage of the Association's administrative fees.
- 3) The BPCMO is required to pay the collected revenues to news media publishers in accordance with the procedure for distribution of revenues as approved by a decision of the Board of the BPCMO, which is in accordance with the guidelines issued by the General Meeting of the BPCMO, within nine months of the end of the financial year in which the revenue arising from the rights was collected. The above term shall not apply if the BPCMO cannot meet it for objective reasons, in particular related to reporting by right holders, identifying rights and right holders or matching information on news media publications with right holders.
- 4) If the BPCMO has entered into agreements or other arrangements with any association, organisation or other person for the mutual exercising of rights in the territories of different countries, the BPCMO shall also take into account the agreements and other arrangements entered into with such an association, organisation or other person when paying any revenues received under such agreements. The BPCMO shall distribute and pay the relevant revenues to other collective management organisations as soon as possible, but no later than nine months after the end of the financial year in which the fee for the rights was collected.
- 5) The BPCMO has the right to deduct from the revenue any costs incurred in connection with its activities (administrative fee) before it is distributed and paid. The administrative fee may not exceed the reasonable and documented costs incurred by the BPCMO for the purpose of the collective exercising of the economic rights of news media publishers. The administrative fee is paid as a deduction from the revenues collected. In addition, after deducting the sum of the aforementioned costs and before paying out the revenue, the BPCMO has the right to use up to 10% of the revenue subject to distribution for the common promotion of the rights and interests of news media and/or news media publishers and/or for other similar purposes in accordance with the procedure approved by a decision of the Board of the BPCMO and the guidelines issued by the General Meeting.
- 6) The BPCMO pays the revenues in accordance with the procedure for distribution of revenues as established by the Board and provided that the news media publisher has communicated to the BPCMO the IBAN prescribed for making the transfer.

- 7) The BPCMO pays the collected revenues on the basis of a corresponding invoice submitted to the BPCMO by the news media publisher. The BPCMO has the right to withhold all taxes and duties from revenues before they are paid if this is prescribed by the law in force.
- 8) The minimum amount of the revenues to be paid and the use of amounts less than this shall be decided by the Board of the BPCMO.
- 9) Upon receipt of the revenue, the financial claims of the member or of a news media publisher represented on any other legal basis against the BPCMO for the collective exercising of its economic rights shall be deemed to have been duly satisfied.
- 10) If it emerges after the distribution and payment of the revenue that the news media publisher was not entitled to receive the revenue either in full or in part, inter alia in a situation where the news media publisher has itself concluded a licence or another similar agreement for the exploitation of the same rights or has transferred the exercising of the same rights to another company, organisation or any other person, or the transfer of the rights to the BPCMO for their exercising was not valid on any other basis, the news media publisher is required to refund to the BPCMO the corresponding amount of the revenue incorrectly received. In the above situation, the BPCMO is entitled, inter alia, to set off any payments of the revenue against the revenue refundable to the BPCMO by the news media publisher.
- 11) If a member or a new media publisher represented makes amendments to the economic rights and areas (categories) and territorial scope transferred to the BPCMO during the term of the membership or representation agreement and wishes to withdraw from the BPCMO the exercising of one or more of the rights or areas (categories) of the rights assigned to the BPCMO or to limit the territorial scope of exercising the economic rights, then the licence and other similar agreements with any person for the use of the economic rights of news media publishers in the granting of a licence entered into before the member withdraw the areas or territorial scope shall remain in force unchanged until the expiration of the term agreed in those agreements. In such a case, the BPCMO shall collect and distribute licence and other fees to the member until the end of the respective contractual periods in a non-discriminatory manner, i.e. on the same basis and conditions as for all other news media publishers whose rights the Association collectively exercises, unless any basis or condition is specifically related to membership.
- 12) If a member withdraws or is excluded from the Association or if a representation agreement entered into with a news media publisher expires or is terminated, then the licence and other similar agreements with any person for the use of the economic rights of news media publishers in the granting of permission entered into before the member's withdrawal or exclusion from the Association took effect shall remain in force unchanged until the expiration of the term agreed in those agreements. In such a case, the BPCMO shall collect and distribute licence and other fees to the withdrawn or excluded member or to the news media publisher represented whose representation agreement has expired until the end of the respective contractual periods in a non-discriminatory manner, i.e. on the same basis and conditions as for all other news media publishers whose rights the Association collectively exercises, unless any basis or condition is specifically related to membership.
- 13) If the BPCMO has entered into extended collective licence agreements, all news media publishers, including those that have not authorised the collective management organisation to represent them, will be treated equally in the distribution and payment of the fee.

*These general principles for distribution of revenues have been approved
by the General Meeting of the BPCMO on 16 July 2024.*