
STATUTORY INSTRUMENTS

2016 No. 221

**The Collective Management of Copyright
(EU Directive) Regulations 2016**

PART 2

Collective Management Organisations

General obligations of collective management organisations in relation to right holders

- 3.** A collective management organisation—
- (a) must act in the best interests of right holders whose rights it represents; and
 - (b) must not impose on such right holders any obligations which are not objectively necessary for the protection of their rights and interests or for the effective management of their rights.

Particular obligations of collective management organisations in relation to right holders

- 4.** A collective management organisation must ensure that—
- (a) right holders have the right to authorise a collective management organisation of their choice to manage—
 - (i) the rights,
 - (ii) categories of rights,
 - (iii) types of works, and
 - (iv) other subject matter,of their choice, for the territory of their choice irrespective of the member State of nationality, residence or establishment of either the collective management organisation or the right holder;
 - (b) it manages the matters referred to in paragraph (a)(i) to (iv) provided that the management of these matters falls within the scope of its activity or unless it has objectively justified reasons to refuse management;
 - (c) right holders have the right to grant licences for non-commercial uses of any of the matters referred to in paragraph (a)(i) to (iv) that they may choose;
 - (d) right holders have the right—
 - (i) to terminate the authorisation to manage the matters referred to in paragraph (a)(i) to (iv) granted by them to a collective management organisation, or
 - (ii) to withdraw from a collective management organisation the matters of their choice referred to in paragraph (a)(i) to (iv) for the territory of their choice,

upon serving reasonable notice not exceeding six months unless the collective management organisation decides that such termination or withdrawal is to take place at the end of its financial year;

- (e) if there are amounts due to a right holder for acts of exploitation which occurred, or under a licence granted, before the time when termination or withdrawal under paragraph (d) took effect, the right holder retains the rights under regulations 11 (deductions), 12 (distributions), 17 (information), 19 (information on request), 27 (payment) and 31 (complaints);
- (f) it does not restrict the exercise of rights referred to in paragraphs (d) and (e) by requiring, as a condition for the exercise of those rights, that the management of the matters referred to in paragraph (a)(i) to (iv) which are subject to the termination or the withdrawal are entrusted to another collective management organisation;
- (g) where a right holder authorises a collective management organisation to manage that right holder's rights—
 - (i) the right holder gives consent specifically for each of the matters referred to in paragraph (a)(i) to (iv) which the right holder authorises the collective management organisation to manage; and
 - (ii) that consent is evidenced in documentary form;
- (h) it informs a right holder of their rights under paragraphs (a) to (g) and any conditions attached to the right in paragraph (c) before obtaining the right holder's consent to its managing the matters set out in paragraph (a)(i) to (iv);
- (i) by 10th October 2016 it informs right holders who have authorised it by 9th April 2016 of their rights under paragraphs (a) to (g) as well as of any conditions attached to the right set out in paragraph (c); and
- (j) the rights under paragraphs (a) to (i) are set out in the statute or membership terms of the collective management organisation.

Membership rules of collective management organisations

- 5.—(1) A collective management organisation must—
- (a) accept as members—
 - (i) right holders, and
 - (ii) entities representing right holders, including other collective managements organisations and associations of right holders,
 if they fulfil the membership requirements (see paragraph (2)); and
 - (b) in cases where it refuses to accept a request for membership, provide the right holder with a clear explanation of the reasons for its decision.
- (2) A collective management organisation must ensure that its membership requirements—
- (a) are based on objective, transparent and non-discriminatory criteria;
 - (b) are included in its statute or membership terms; and
 - (c) are made publicly available.

Collective management organisations and their members

6. A collective management organisation must—
- (a) ensure that its statute provides for appropriate and effective mechanisms for the participation of its members in the decision-making process of that organisation;

- (b) ensure that the representation of the different categories of members in the decision-making process is fair and balanced;
- (c) allow—
 - (i) its members, and
 - (ii) right holders who are not members but who have a direct legal relationship with it by law or by way of assignment, licence or other contractual arrangement,to communicate with it by electronic means including, in the case of its members, for the purposes of exercising members' rights; and
- (d) keep records of its members and regularly update those records.

General assembly of members of collective management organisations

- 7.—(1) A collective management organisation must ensure that—
- (a) the general assembly of members is convened at least once a year;
 - (b) the general assembly of members decides on amendments to the statute and the membership terms of the collective management organisation, where those terms are not regulated by the statute;
 - (c) the general assembly of members decides on the appointment and dismissal of the directors, reviews their general performance and approves their remuneration and other benefits such as—
 - (i) monetary and non-monetary benefits;
 - (ii) pension awards and entitlements;
 - (iii) rights to other awards; and
 - (iv) rights to severance pay;(but see paragraph (12));
 - (d) in accordance with regulations 10 (rights revenue), 11 (deductions) and 12 (distribution) and subject to paragraph (2) the general assembly of members decides on at least—
 - (i) the general policy on the distribution of amounts due to right holders;
 - (ii) the general policy on the use of non-distributable amounts;
 - (iii) the general investment policy with regards to rights revenue and to any income arising from the investment of rights revenue;
 - (iv) the general policy on deductions from rights revenue and from any income arising from the investment of rights revenue;
 - (v) the use of non-distributable amounts;
 - (vi) the risk management policy;
 - (vii) the approval of any acquisition, sale or hypothecation of immovable property;
 - (viii) the approval of—
 - (aa) mergers and alliances;
 - (bb) the setting-up of subsidiaries;
 - (cc) the acquisition of other entities or shares or rights in other entities;and
 - (ix) the approval of taking out loans, granting loans or providing security for loans;
 - (e) the general assembly of members controls the activities of the collective management organisation by at least—

- (i) deciding on the appointment and removal of the auditor (but see paragraph (3)); and
 - (ii) approving the annual transparency report referred to in regulation 21 (annual transparency report);
 - (f) all members of the collective management organisation have the right to participate in, and the right to vote at, the general assembly of members (but see paragraph (4));
 - (g) every member of a collective management organisation has a right to appoint another person as a proxy to participate in, and vote at, the general assembly of members on the member's behalf provided that the appointment does not result in a conflict of interest; and
 - (h) in relation to the right in sub-paragraph (g)—
 - (i) each proxy is valid for a single general assembly of members;
 - (ii) the proxy holder enjoys the same rights in the general assembly of members as those to which the appointing member would be entitled;
 - (iii) the proxy holder casts votes in accordance with the instructions issued by the appointing member.
- (2) The requirement in paragraph (1)(d)(vi) to (ix) may be satisfied where the general assembly of members delegates to the body exercising the supervisory function referred in regulation 8 (supervisory function) the functions referred to in those sub-paragraphs by a resolution or by a provision in the statute.
- (3) The requirement in paragraph (1)(e)(i) may be satisfied where an auditor is appointed under Chapter 2 of Part 16 of the Companies Act 2006⁽¹⁾.
- (4) The requirement in paragraph (1)(f) may be satisfied—
- (a) where a collective management organisation restricts the rights of members referred to in that sub-paragraph on the basis or either or both the following criteria—
 - (i) duration of membership, or
 - (ii) amounts received or due to a member;
 and
 - (b) where these criteria—
 - (i) are determined and applied in a manner which is fair and proportionate; and
 - (ii) are included in the statute or the membership terms of the collective management organisation and are made publicly available in accordance with regulation 20 (disclosure of information to the public).
- (5) This paragraph applies where a collective management organisation by reason of its legal form does not have a general assembly of members.
- (6) Where paragraph (5) applies—
- (a) the collective management organisation must ensure that the functions of the general assembly of members referred to in paragraph (1)(b) to (e) are exercised by the body exercising the supervisory function referred to in regulation 8 (collective management organisation: supervisory function); and
 - (b) this regulation applies with the following modifications—
 - (i) in paragraph (1), sub-paragraphs (a), (b), (c), (d) and (e) apply as if the references to “general assembly of members” were references to “body exercising the supervisory function referred to in regulation 8”;
 - (ii) in paragraph (1), sub-paragraphs (f), (g) and (h) do not apply; and

(1) 2006 c.46.

(iii) paragraphs (2) and (4) do not apply.

(7) This paragraph applies where—

- (a) a collective management organisation decides that the functions of the general assembly of members referred to in paragraph (1)(b) to (e) are to be exercised by an assembly of delegates elected at least every four years by the members of the collective management organisation;
- (b) appropriate and effective participation of members in the collective management organisation's decision-making process is ensured; and
- (c) the representation of the different categories of members in the assembly of delegates is fair and balanced.

(8) Where paragraph (7) applies this regulation applies with the following modifications—

- (a) in paragraph (1), sub-paragraphs (a), (b), (c), (d) and (e) apply as if the references to “general assembly of members” were references to “assembly of delegates”;
- (b) in paragraph (1), sub-paragraph (f) applies as if it read “all delegates elected to the assembly of delegates have the right to participate in, and vote at, the assembly of delegates;”;
- (c) in paragraph (1), sub-paragraph (g) applies as if the reference to—
 - (i) “member of a collective management organisation” read “delegate elected to the assembly of delegates”;
 - (ii) “general assembly of members” read “assembly of delegates”; and
 - (iii) “member's behalf” read “delegate's behalf”;
- (d) in paragraph (1), sub-paragraph (h) applies as if—
 - (aa) both references to “general assembly of members” were references to “assembly of delegates”; and
 - (bb) both references to “appointing member” were to “appointing delegate”;
- (e) paragraph (2) applies as if the reference to “general assembly of members” were a reference to “assembly of delegates”; and
- (f) paragraph (4) does not apply.

(9) This paragraph applies where—

- (a) a collective management organisation only has members who represent right holders; and
- (b) the collective management organisation decides that one or more of the functions of the general assembly of members referred to in paragraph (1)(b) to (e) are to be exercised by an assembly of those right holders.

(10) Where paragraph (9) applies and the collective management organisation has decided that all the functions of the general assembly of members are to be exercised by an assembly of right holders then this regulation applies with the following modifications—

- (a) in paragraph (1), sub-paragraphs (a), (b), (c), (d) and (e) apply as if references to “general assembly of members” were references to “assembly of right holders”;
- (b) in paragraph (1), sub-paragraph (f) applies as if it read “all right holders who are represented by members have the right to participate in, and the right to vote at, the assembly of right holders;”;
- (c) in paragraph (1), sub-paragraph (g) applies as if the reference to—
 - (i) “member of a collective management organisation” read “right holder who is represented by a member”; and

- (ii) “general assembly of members on the member’s behalf” read “assembly of right holders on the right holder’s behalf”;
 - (d) in paragraph (1), sub-paragraph (h) applies as if—
 - (i) both references to “general assembly of members” were references to “assembly of right holders”; and
 - (ii) both references to “appointing member” were to “appointing right holder”;
 - (e) paragraph (2) applies as if the reference to “general assembly of members” were a reference to “assembly of right holders”; and
 - (f) paragraph (4) does not apply.
- (11) Where paragraph (9) applies and the collective management organisation has decided that some of the functions of the general assembly of members are to be exercised by an assembly of right holders then this regulation applies with the following modifications—
- (a) in paragraph (1), sub-paragraph (a) applies as if after the words “general assembly of members” there were added “and the assembly of right holders”;
 - (b) a reference in paragraph (1) (b), (c), (d) and (e) to the general assembly of members is to be read as a reference to an assembly of right holders so far as that reference relates to a function that the collective management organisation has decided is to be exercised by an assembly of right holders;
 - (c) in paragraph (1), sub-paragraph (f) applies as if after “(but see paragraph (4))” there were added “and all right holders who are represented by members have the right to participate in, and vote at, the assembly of right holders”;
 - (d) in paragraph (1), sub-paragraph (g) applies as if after “general assembly of members on the member’s behalf” there were added “and every right holder who is represented by a member has a right to appoint another person as a proxy to participate in, and vote at, the assembly of right holders on the right holder’s behalf”;
 - (e) in paragraph (1), sub-paragraph (h) applies as if—
 - (i) at the end of sub-paragraph (i) there were added “or for a single assembly of right holders”;
 - (ii) in sub-paragraph (ii)—
 - (aa) after the reference to “the general assembly of members” there were added “or the assembly of right holders”; and
 - (bb) after the reference to “appointing member” there were added “or appointing right holder”;
 - and
 - (iii) in sub-paragraph (iii) after the reference to “appointing member” there were added “or the appointing right holder”;
 - (f) paragraph (2) applies as if after the reference to the “general assembly of members” there were added “or the assembly of right holders”; and
 - (g) paragraph (4) applies only in relation to the requirement in paragraph (1)(f) concerning the rights of members in relation to the general assembly of members.
- (12) Where the statute of a collective management organisation provides for a dual board the collective management organisation must ensure that the general assembly of members does not—
- (a) decide on the appointment and dismissal of members of the management board, or
 - (b) approve their remuneration and other benefits,
- to the extent those powers are delegated to the supervisory board.

(13) In paragraph (1)(c) “director” means—

- (a) any member of the administrative board of the collective management organisation; or
- (b) where the statute of the collective management organisation provides for a dual board, any member of the management board or supervisory board.

Collective management organisations: supervisory function

8.—(1) A collective management organisation must ensure that it has in place a supervisory function for continuously monitoring the activities and the performance of the duties of the persons who manage the business of the organisation which satisfies the requirements of this regulation.

(2) The requirements of this regulation are—

- (a) there is a fair and balanced representation of the different categories of members of the collective management organisation in the body exercising the supervisory function;
- (b) each person exercising the supervisory function makes an annual individual statement to the general assembly of members on conflicts of interest, containing the information referred in paragraph (3) of regulation 9 (management);
- (c) the body exercising the supervisory function meets regularly and has at least the following powers—
 - (i) to exercise the powers delegated to it by the general assembly of members, including the delegation of functions referred to in paragraph (2) of regulation 7 (general assembly of members); and
 - (ii) to monitor the activities and the performance of the duties of persons referred to in regulation 9, including the implementation of the decisions of the general assembly of members and, in particular, of the general policies referred to in paragraph (1)(d) (i) to (iv) of regulation 7 (general assembly of members);

and

- (d) the body exercising the supervisory function reports on the exercise of its powers to the general assembly of members at least once a year.

Collective management organisations: management

9.—(1) A collective management organisation must ensure that persons who manage its business do so in a sound, prudent and appropriate manner, using sound administrative and accounting procedures and internal control mechanisms.

(2) A collective management organisation must put in place and apply procedures (see paragraph (3))—

- (a) to avoid conflicts of interest; and
- (b) where such conflicts cannot be avoided, to identify, manage, monitor and disclose actual or potential conflicts of interest in such a way as to prevent them from adversely affecting the collective interests of the right holders whom the organisation represents.

(3) The procedures referred to in paragraph (2) include an annual individual statement by each of the persons referred to in paragraph (1) to the general assembly of members, containing the following information—

- (a) any interests in the collective management organisation;
- (b) any remuneration received in the preceding financial year from the collective management organisation, including in the form of pension schemes, benefits in kind and other types of benefits;

- (c) any amount received in the preceding financial year as a right holder from the collective management organisation; and
 - (d) a declaration concerning any actual or potential conflict between—
 - (i) any personal interests and those of the collective management organisation; and
 - (ii) any obligations owed to the collective management organisation and any duty owed to any other person.
- (4) A collective management organisation must ensure that its staff training procedures for employees, agents and representatives include appropriate training about conduct that complies with its obligations under these Regulations (but see paragraph (5)).
- (5) Paragraph (4) does not apply where the collective management organisation is a business with fewer than ten employees and which has a turnover or balance sheet of less than 2 million euros per annum.

Collection and use of rights revenue

10. A collective management organisation must ensure—

- (a) that it is diligent in the collection and management of rights revenue;
- (b) that it keeps separate in its accounts—
 - (i) rights revenue and any income arising from the investment of rights revenue; and
 - (ii) any own assets it may have and income arising from such assets, from management fees or from other activities;
- (c) that it does not use rights revenue or any income arising from the investment of rights revenue for purposes other than distribution to right holders, except where it is allowed—
 - (i) to deduct or offset its management fees in compliance with a decision taken in accordance with paragraph (1)(d)(iv) of regulation 7 (general assembly of members); or
 - (ii) to use the rights revenue or any income arising from the investment of rights revenue in compliance with a decision taken in accordance with regulation 7(1)(d);
 and
- (d) that where it invests rights revenue, or any income arising from the investment of rights revenue, it does so—
 - (i) in the best interests of the right holders whose rights it represents;
 - (ii) in accordance with the general investment and risk management policy referred to in paragraph (1)(d)(iii) and (vi) of regulation 7 (general assembly of members); and
 - (iii) having regard to the following—
 - (aa) where there is any potential conflict of interest, the collective management organisation must ensure that the investment is made in the sole interest of those right holders;
 - (bb) the assets are invested in order to ensure the security, quality, liquidity and profitability of the portfolio as a whole; and
 - (cc) the assets are properly diversified in order to avoid excessive reliance on any particular asset and accumulation of risks in the portfolio as a whole.

Deductions

11.—(1) A collective management organisation must ensure that where a right holder authorises it to manage that right holder's rights, the collective management organisation provides the right holder with information on—

- (a) management fees (see paragraph (3)), and
- (b) other deductions from the rights revenue and from any income arising from the investment of the rights revenue (see paragraph (2)),

before obtaining the right holder's consent to manage the right holder's rights.

(2) A collective management organisation must ensure that deductions—

- (a) are reasonable in relation to the services provided by the collective management organisation to right holders (including, where appropriate, the services referred to in paragraph (5)); and
- (b) are established on the basis of objective criteria.

(3) A collective management organisation must ensure that management fees do not exceed the justified and documented costs incurred by the collective management organisation in managing copyright and related rights.

(4) A collective management organisation must ensure that the requirements in these Regulations relating to the use, and the transparency of the use, of amounts deducted or offset in respect of management fees apply to any other deductions made in order to cover the costs of managing copyright and related rights.

(5) A collective management organisation must ensure that where it provides social, cultural or educational services funded through deductions from rights revenue or from any income arising from the investment of rights revenue, such services are provided on the basis of fair criteria, in particular in relation to access to, and the extent of, those services.

Distributions of amounts to right holders

12.—(1) A collective management organisation must regularly, diligently and accurately distribute and pay amounts due to right holders in accordance with the general policy on distribution referred to in paragraph (1)(d)(i) of regulation 7 (general assembly of members) subject to paragraph (3) of regulation 14 (deductions and payments) and regulation 27 (payment).

(2) A collective management organisation or, a member of it which is an entity representing right holders, must distribute and pay the amounts referred to in paragraph (1) to right holders as soon as possible but in any event no later than the beginning of the period which starts 9 months from the end of the financial year in which the rights revenue was collected unless paragraph (3) applies.

(3) This paragraph applies where there are objective reasons which prevent the collective management organisation or its member referred to in paragraph (2) from distributing or paying the amounts within the time specified in that paragraph.

(4) The objective reasons referred to in paragraph (3) may relate in particular to—

- (a) reporting by users;
- (b) identification of rights or right holders; or
- (c) matching of information on works and other subject matter with right holders.

(5) A collective management organisation must ensure that amounts due to right holders are kept separate in the accounts of the collective management organisation where—

- (a) those amounts cannot be distributed within the time specified in paragraph (2) because the relevant right holders cannot be identified or located; and

- (b) paragraph (3) does not apply.
- (6) A collective management organisation must take all necessary measures to identify and locate right holders consistent with the requirements of paragraph (1) (see paragraph 7).
- (7) The measures referred to in paragraph (6) include in particular—
 - (a) the collective management organisation making available, at the latest 3 months after the beginning of the period specified in paragraph (2), information on works and other subject matter (see paragraph (8)) for which a right holder has not been identified or located to—
 - (i) the right holders that the collective management organisation represents or entities which are its members and which represent right holders; and
 - (ii) the collective management organisations with which it has concluded representation agreements.
 - (b) the collective management organisation—
 - (i) verifying the records referred to in paragraph (d) of regulation 6 (collective management organisation and its members) and other readily available records; and
 - (ii) where right holders remain unidentified or not located, making the information referred to in sub-paragraph (a) available to the public no later than one year after the end of the 3 month period referred to in that sub-paragraph.
- (8) The information referred to in paragraph (7) includes, where available—
 - (a) the title of the work or other subject matter;
 - (b) the name of the right holder;
 - (c) the name of the relevant publisher or producer; and
 - (d) any other relevant information available which could assist in identifying the right holder.
- (9) Amounts due to right holders are non-distributable for the purposes of these Regulations where—
 - (a) they cannot be distributed before the end of the period of 3 years from the end of the financial year in which collection of the rights revenue occurred; and
 - (b) the collective management organisation has taken all necessary measures to identify and locate the right holders referred to in paragraph (6).
- (10) The decision on the use of non-distributable amounts referred to in regulation 7(1)(d) is without prejudice to the right of a right holder to claim such amounts from the copyright management organisation in accordance with the law providing for a limitation period applicable to the bringing of proceedings.

Rights managed under representation agreements

13. A collective management organisation must not discriminate against any right holder whose rights it manages under a representation agreement in particular with respect to—

- (a) applicable tariffs;
- (b) management fees; and
- (c) the conditions for—
 - (i) the collection of rights revenue; and
 - (ii) distribution of amounts due to right holders.

Deductions and payments in representation agreements

14.—(1) A collective management organisation must not make deductions (other than in respect of management fees)—

- (a) from the rights revenue derived from the rights it manages on the basis of a representation agreement, or
- (b) from any income arising from the investment of that rights revenue,

unless the other collective management organisation that is party to the representation agreement expressly consents to such deductions.

(2) A collective management organisation must regularly, diligently and accurately distribute and pay amounts due to other collective management organisations.

(3) A collective management organisation must carry out the distribution and payments referred to in paragraph (2) as soon as possible but in any event no later than the beginning of the period which starts 9 months from the end of the financial year in which the rights revenue was collected unless paragraph (4) applies.

(4) This paragraph applies where there are objective reasons which prevent the collective management organisation from distributing or paying the amounts within the time specified in paragraph (3).

(5) The objective reasons referred to in paragraph (4) may, in particular, relate to—

- (a) reporting by users;
- (b) identification of rights or right holders; or
- (c) matching of information on works and other subject matter with right holders.

(6) The other collective management organisation referred to in paragraph (1) or, where it has a member which is an entity representing right holders, that member must ensure that it distributes and pays the amounts due to right holders as soon as possible but in any event no later than the beginning of the period which starts 6 months from the receipt of those amounts unless paragraph (7) applies.

(7) This paragraph applies where there are objective reasons which prevent the collective management organisation or its member referred to in paragraph (6) from distributing and paying the amounts within the time specified in paragraph (6).

(8) The objective reasons referred to in paragraph (6) may, in particular, relate to—

- (a) reporting by users;
- (b) identification of rights or right holders; or
- (c) matching of information on works and other subject matter with right holders.

Licensing

15.—(1) A collective management organisation and a user and an independent management entity and a user must—

- (a) conduct negotiations for the licensing of rights in good faith; and
- (b) provide each other with all necessary information.

(2) A collective management organisation must ensure that licensing terms are based on objective and non-discriminatory criteria (but see paragraph (3)).

(3) Paragraph (2) does not require a collective management organisation to use as a precedent for other online services licensing terms agreed with a user where the user is providing a new type of online service which has been available to the public in a member State for less than 3 years.

(4) A collective management organisation must ensure that—

- (a) right holders receive appropriate remuneration for the use of their rights;
 - (b) tariffs it determines for exclusive rights and rights to remuneration are reasonable in relation to matters such as—
 - (i) the economic value of the use of the rights in trade taking into account the nature and scope of the use of the work and other subject matter; and
 - (ii) the economic value of the service provided by the collective management organisation;
 and
 - (c) it informs the user concerned of the criteria used for the setting of those tariffs.
- (5) A collective management organisation must—
- (a) reply without undue delay to requests from users indicating, amongst other things, the information needed in order for the collective management organisation to offer a licence;
 - (b) upon receipt of all relevant information without undue delay either—
 - (i) offer a licence; or
 - (ii) provide the user with a reasoned statement explaining why it does not intend to license a particular service;
 - (c) allow users to communicate with it by electronic means, including, where appropriate, for the purpose of reporting on the use of the licence; and
 - (d) after giving a user a licence, treat that user in good faith (but see paragraph (6)).
- (6) Paragraph 5(d) does not apply where the collective management organisation is a business with fewer than ten employees and has a turnover or balance sheet total of less than 2 million euros per annum.

Users' obligations

16.—(1) A user must provide a collective management organisation within an agreed or pre-established time and in an agreed or pre-established format with such relevant information at its disposal on the use of the rights represented by the collective management organisation as is necessary for—

- (a) the collection of rights revenue; and
- (b) the distribution and payment of amounts due to right holders.

(2) A collective management organisation and a user must ensure that they take into account, as far as possible, voluntary industry standards in deciding on the format for the information referred to in paragraph (1).

Information provided to right holders

17.—(1) A collective management organisation and an independent management entity must make available not less than once a year to each right holder to whom—

- (a) it has attributed rights revenue, or
- (b) made payments,

in the period to which the information relates, at least the information specified in paragraph (2).

(2) The information specified in this paragraph is—

- (a) contact details which the right holder has authorised the collective management organisation or the independent management entity to use in order to identify and locate the right holder;

- (b) the rights revenue attributed to the right holder;
 - (c) the amount paid by the collective management organisation or the independent management entity to the right holder for each category of right managed and for each type of use;
 - (d) the period during which the use took place for which amounts were attributed and paid to the right holder unless objective reasons relating to reporting by users prevent the collective management organisation or the independent management entity from providing this information;
 - (e) deductions made in respect of management fees;
 - (f) deductions made for any other purpose other than in respect of management fees, including those that may be legally required for the provision of social, cultural or educational services; and
 - (g) rights revenue attributed to the right holder which is outstanding for a period.
- (3) A collective management organisation and an independent management entity must provide the information specified in paragraph (2) to the person referred to in sub-paragraph (b) where—
- (a) it attributes rights revenue to right holders;
 - (b) it has a member an entity which is responsible for the distribution of rights revenue to right holders; and
 - (c) that member does not have that information in their possession.
- (4) The member to whom information is supplied under paragraph (3) must make available not less than once a year the information specified in paragraph (2) to each right holder to whom the member has attributed rights revenue or made payments in the period to which the information relates.

Information provided to other collective management organisations

18.—(1) A collective management organisation must make available at least the information specified in paragraph (2) by electronic means no less than once a year to collective management organisations on whose behalf it manages rights under a representation agreement for the period to which the information relates.

- (2) The information specified in this paragraph is—
- (a) the rights revenue attributed for the rights it manages under the representation agreement;
 - (b) the amounts paid by the collective management organisation—
 - (i) for each category of rights managed, and
 - (ii) for each type of use,for the rights it manages under the representation agreement;
 - (c) rights revenue attributed which is outstanding for any period;
 - (d) deductions made in respect of management fees;
 - (e) deductions made for a purpose other than in respect of management fees referred to in regulation 14 (deductions and payments);
 - (f) information on any licences granted or refused with regard to works and other subject matter covered by the representation agreement; and
 - (g) resolutions adopted by the general assembly of members in so far as those resolutions are relevant to the management of the rights under the representation agreement.

Information provided to right holders, other collective management organisations and users on request

- 19.—(1) Subject to regulation 24 (transparency of multi-territorial repertoire information)—
- (a) a collective management organisation must make the information specified in paragraph (2) or, where it applies, paragraph (4) available by electronic means and without undue delay, in response to a duly justified request, to—
 - (i) a collective management organisation on whose behalf it manages rights under a representation agreement;
 - (ii) a right holder; or
 - (iii) a user;
 - and
 - (b) an independent management entity must make the information specified in paragraph (2) or, where it applies, paragraph (4) available by electronic means and without undue delay, in response to a duly justified request, to—
 - (i) a right holder; or
 - (ii) a user.
- (2) The information specified in this paragraph is—
- (a) the works or other subject matter the collective management organisation or the independent management entity represents;
 - (b) the rights the collective management organisation or the independent management entity manages directly or the collective management organisation manages under representation agreements; and
 - (c) the territories covered.
- (3) Paragraph (4) applies where, due to the scope of the activity of the collective management organisation or the independent management entity, the work or other subject matter which it represents cannot be determined.
- (4) The information specified in this paragraph is—
- (a) the types of works of other subject matter the collective management organisation or the independent management entity represents;
 - (b) the rights the collective management organisation or the independent management entity manages; and
 - (c) the territories covered.

Disclosure of information to the public

- 20.—(1) A collective management organisation must—
- (a) make public the information specified in paragraph (3); and
 - (b) publish and keep up to date on its public website the information specified in that paragraph.
- (2) An independent management entity must make public the information specified in paragraph (3)(a), (b), (c), (e), (f) and (g).
- (3) The information specified in this paragraph is—
- (a) its statute;
 - (b) its membership terms and the terms of termination of authorisation to manage rights, if these are not included in the statute;

- (c) standard licensing contracts and standard applicable tariffs including discounts;
- (d) the list of persons referred to in regulation 9(1) (management);
- (e) its general policy on distribution of amounts due to right holders;
- (f) its general policy on management fees;
- (g) its general policy on deductions, other than in respect of management fees, from—
 - (i) rights revenue; and
 - (ii) income arising from the investment of rights revenue including deductions for the purposes of social, cultural and educational services;
- (h) a list of—
 - (i) the representation agreements it has entered into; and
 - (ii) the names of the collective management organisations with which those representation agreements have been concluded;
- (i) the general policy on the use of non-distributable amounts; and
- (j) the complaint handling and dispute resolution procedures available in accordance with regulations 31 (complaints procedure) and 32 (alternative dispute resolution procedure) and under Part 1, Chapter 7 of the Copyright, Designs and Patents Act 1988⁽²⁾.

Annual transparency report

21.—(1) A collective management organisation must—

- (a) draw up and make public an annual transparency report, including the special report referred to in paragraph (3), for each financial year no later than 8 months following the end of that financial year;
- (b) publish on its website the annual transparency report; and
- (c) ensure that the annual transparency report remains available on its website for at least 5 years.

(2) The annual transparency report referred to in paragraph (1) must—

- (a) contain at least the information specified in paragraph (4);
- (b) be audited by a person who is eligible for appointment as a statutory auditor under Part 42 of the Companies Act 2006⁽³⁾ in respect of the accounting information referred to in paragraph (4)(a), (g), (h), (i), (j) and (k) included in the report; and
- (c) reproduce in full the audit report including any qualifications to that report.

(3) The special report referred to in paragraph (1)(a) must address the use of the amounts deducted for the purposes of social, cultural and educational services and must contain at least the information specified in paragraph (5).

(4) The information specified in this paragraph is—

- (a) financial statements comprising a balance sheet or a statement of assets and liabilities, an income and expenditure account for the financial year and a cash flow statement;
- (b) a report on the activities in the financial year;
- (c) information on refusals to grant a licence in accordance with paragraph (5)(b)(ii) of regulation 15 (licensing);

(2) 1988 c.48.

(3) 2006 c.46.

- (d) a description of the legal and governance structure of the collective management organisation;
- (e) information on entities directly or indirectly owned or controlled, wholly or in part, by the collective management organisation;
- (f) information on the total amount of remuneration paid to the persons referred to in paragraph (2)(b) of regulation 8 (supervisory function) and regulation 9 (management) in the previous year and on other benefits granted to them;
- (g) a special report on the use of any amounts deducted for the purpose of social, cultural and educational services referred to in paragraph (5);
- (h) financial information on rights revenue for each category of rights managed and for each type of use (for example broadcasting, online and public performance), including information on—
 - (i) the income arising from the investment of rights revenue; and
 - (ii) use of such income (whether it is distributed to right holders or other collective management organisations or otherwise used);
- (i) financial information on the cost of rights management and other services provided by the collective management organisation to right holders with a comprehensive description of at least the following—
 - (i) all operating and financial costs, with a breakdown for each category of rights managed and, where costs are indirect and cannot be attributed to one or more categories of rights, an explanation of the method used to allocate such indirect costs;
 - (ii) operating and financial costs with a breakdown for each category of rights managed and, where costs are indirect and cannot be attributed to one or more categories of rights, an explanation of the method used to allocate such indirect costs, only with regard to the management of rights, including management fees deducted from or offset against—
 - (aa) rights revenue, or
 - (bb) income arising from the investment of rights revenue in accordance with paragraph (c) of regulation 10 (collection and use of rights revenue) and paragraphs (1) to (3) of regulation 11 (deductions);
 - (iii) operating and financial costs with regard to services other than the management of rights but including social, cultural and educational services;
 - (iv) resources used to cover costs;
 - (v) deductions made from rights revenue with a breakdown for each category of rights managed and for each type of use and the purpose of the deduction (such as costs relating to the management of rights or to social, cultural or educational services);
 - (vi) the percentages that the cost of the rights management and other services provided by the collective management organisation to right holders represents compared to the rights revenue in the relevant financial year for each category of rights managed; and
 - (vii) where the costs in sub-paragraph (vi) are indirect and cannot be attributed to one or more categories of rights, an explanation of the method used to allocate such indirect costs;
- (j) financial information on amounts due to right holders with a comprehensive description of at least the following—
 - (i) the total amount attributed to right holders with a breakdown for each category of rights managed and type of use;

- (ii) the total amount paid to right holders, with a breakdown for each category of rights managed and type of use;
 - (iii) the frequency of payments with a breakdown for each category of rights managed and type of use;
 - (iv) the total amount collected but not yet attributed to right holders with a breakdown for each category of rights managed and type of use and indicating the financial year in which those amounts were collected;
 - (v) the total amount attributed to, but not yet distributed to, right holders with a breakdown for each category of rights managed and type of use and indicating the financial year in which those amounts were collected;
 - (vi) where a collective management organisation has not carried out the distribution and payments within the period provided for in paragraph (2) in regulation 12 (distribution), the reason for the delay; and
 - (vii) the total non-distributable amounts along with an explanation of the use to which those amounts have been put;
- and
- (k) information on relationships with other collective management organisations, with a description of at least the following—
 - (i) amounts received from and paid to other collective management organisations with a breakdown for each category of rights, for each type of use and for each organisation;
 - (ii) management fees and other deductions from the rights revenue due to other collective management organisations with a breakdown for each category of rights, for each type of use and for each organisation;
 - (iii) management fees and other deductions from the amounts paid by other collective management organisations with a breakdown for each category of rights and for each organisation; and
 - (iv) amounts distributed directly to right holders originating from other collective management organisations with a breakdown for each category of rights and for each organisation.
- (5) The information specified in this paragraph is—
- (a) the amounts deducted for the purposes of social, cultural and educational services in the financial year, with a breakdown for each type of purpose and, for each type of purpose, with a breakdown for each category of rights managed and for each type of use; and
 - (b) an explanation of the use of those amounts with a breakdown for each type of purpose including costs of managing amounts deducted to fund social, cultural and educational services and of the separate amounts used for social, cultural and educational services.