

DISTRIBUTION RULES OF SOZA

Content

Article 1	Basic provisions
Article 2	Rightsholders
Article 3	Registration and classification of musical works
	Part A) Registration of musical works
	Part B) Parallel copyrights of several rightsholders concerning musical works
	Part C) Classification of musical works
	Part D) Other obligations of rightsholders
Article 4	Distribution
	Part A) Basic principles
	Part B) Distribution methods
	Part C) Common rules for the distribution of radio and television broadcasting
	Part D) Distribution for radio broadcasting of musical works
	Part E) Distribution for television broadcasting of musical works, audiovisually used musical works and audiovisual works
	Part F) Distribution for cable retransmission
	Part G) Distribution for live public performance of the work
	Part H) Distribution for public performance of the work by technical means in cinemas (cinema screening)
	Part I) Distribution for the production and sale of sound and audiovisual carriers
	Part J) Distribution for making works available online
	Part K) Per analogy distribution
	Part L) Unidentified royalties
	Part M) Distribution of royalties to abroad
	Part N) Distribution of royalties from abroad
	Part O) Terms for distribution and for the payment of royalties
Article 5	Claims
Article 6	Special provisions on publishers
Article 7	Special provisions on contractually unrepresented rightsholders
Article 8	Exclusion of collective rights management
Article 9	Common, transitional and final provisions
Annex 1	Point Table of musical works
Annex 2	Basic distribution key of SOZA

Article 1

Basic provisions

1. Collective copyright management consists in the uniform application of property rights related to the use of musical works and for the mutual benefit of all authorized rightsholders by the collective rights management society (SOZA).
2. The basic principles of the exercise of collective rights management are determined by Act no 185/2015 Coll. Copyright Act, as amended (hereinafter "the Copyright Act"), the statutes of SOZA, the principles of distribution, redistribution and payment of revenue from the exercise of collective rights management, special principles on the use of royalties, equitable royalties and additional royalties collected by SOZA, where it is not possible to designate or find a rightsholder ("unidentified royalty") and compensation for private copying (private copy levies), the principle of application of the costs of the service provided by collective rights management and the principles of mutual recovery of revenue from the exercise of collective rights management and risk management taking into account the recovery of revenues solely in the interests of rightsholders, with adequate security, liquidity and prevention of dependence on a single source of revenue.
3. SOZA as the collecting society is obligated under the Copyright Act to conduct the Distribution rules based on the principles of selection, redistribution and payment of revenue from the exercise of collective rights management (hereinafter referred to as "**Distribution rules**").
4. Distribution rules contains the principles of redistribution and payment of the selected copyright royalties and compensations for the use of musical works in the segment of private copy with or without the text to the rightsholders.
5. SOZA is according to Distribution rules and in accordance with the principles of selection, redistribution and payment of the income from the exercise of collective rights management, obliged to regularly, consistently and accurately redistribute and to pay revenues from the exercise of collective rights management, including income from assessment of these rights and to allow the rightsholders to request a verification of the accuracy of the income paid.
6. Revenue from the exercise of collective rights management consists, according to the Copyright Act, in particular from copyright (licensed) royalties, equitable royalties, compensation of royalties in the segment of private copy, additional royalties, revenue from the unjustified enrichment and compensation of damages.
7. For the current calendar year SOZA is entitled due to the exercise of collective rights management to deductions from the revenue in accordance with the Copyright Act, with internal principles and regulations of SOZA and with the international agreements by which SOZA is bound.
8. SOZA is authorized in accordance with Copyright Act, international agreements concluded with foreign collecting societies and Statute of the Social and Cultural Fund of SOZA to deduct from the copyright royalty and compensation for remuneration a financial contribution dedicated to social and cultural purposes.
9. Under the current Distribution rules, the term musical work means not only a musical work as a separate work of its author, but also a musical work that was created specifically for an audiovisual work.

Article 2 Rightsholders

1. Rightsholder shall, in the sense of Copyright Act, mean
 - a) Author
 - b) Publisher
 - c) Heir to the copyright,
 - d) Another natural or legal person who carries out the property rights of the author under Copyright Act or under a contract.

2. The authorized rightsholder for the purposes of Distribution rules shall mean:
 - a) **Author of musical works (composer) - abbreviation (C)**
 - is the natural person who created the musical work without the lyrics or musical part of the musical works with lyrics. If several persons participated in the creation of the work, they are considered as co-authors and must be stated in the application form of the musical work. The rights to a musical work without lyrics or a musical work with the lyrics belong to all co-authors jointly and severally, unless the authors have agreed otherwise in writing.
 - b) **Author of the lyrics of the musical works (lyricist) - abbreviation (A)**
 - is the natural person who created the lyrics component of the musical work. Where several persons have participated in the creation of this lyrics component, they are considered as co-authors and must be stated in the application form of the musical work. If the musical work was subsequently modified for use without the lyrics, the lyricist is involved in the revenue from this modified work. The rights to the lyrics component of a musical work belong to all co-authors jointly and severally, unless the authors have agreed otherwise in writing.
 - c) **Authors of the joint works**
 - are natural persons whose two or more separate works have been associated with their consent in one unit which is used in a manner, to the extent and in time according to the author's agreement. With the works connected to one unit, the authors shall treat it jointly, unless otherwise agreed. The right of authors of the individual works (which have been linked together) to treat the works independently shall remain retained.
 - d) **Arranger of musical works or musical part of the works - abbreviation (SC)**
 - is the natural person who processed the work. This processing must be a unique result of the creative activity of the arranger with a clear author addition. The processing of the works is its adaptation, translation or other modification of the work. The rights of the author to the original part which are subject to processing remain retained.
 - e) **Sub-arranger of musical works - abbreviation (AR)**
 - is the natural person who participated in the musical arrangement of the works. This processing must be an arrangement of the work without a clear author addition.
 - f) **Translator - abbreviation (TR)**
 - is the natural person who translated the lyrics component of the musical work to another language.
 - g) **Sub-author of the text component of musical works - abbreviation (SA)**
 - is the natural person who processed the written part of the musical work. This processing must be a unique result of the creative activity of the sub-author on the lyrics of the musical work with a clear author addition.

- h) **Publisher - abbreviation (E)**
 - means a natural or legal person who has acquired publishing rights with a valid license agreement (hereinafter referred to as the "Publishing Agreement").
- i) **Subpublisher - abbreviation (SE)**
 - means a natural or legal person who has acquired publishing rights as a subcontractor, signed with the original publisher, and has the right to issue and distribute the work in the territory in which he is authorised under this agreement.
- j) **Contractually represented rightsholder**
 - is the author, publisher, heir to the copyright or other natural or legal person who carries out the property rights of the author under Copyright Act or under a contract and has concluded the agreement on representation with SOZA). If the contracted right holder has excluded the collective rights management in one or more collective rights management areas, he is subject to the unrepresented rightsholder regime in respect to these excluded fields.
- k) **Contractually unrepresented rightsholder**
 - is the author, publisher, heir to the copyright or other natural or legal person who carries out the property rights of the author under Copyright Act or under a contract in the fields of mandatory collective rights management and is represented by SOZA under the Copyright Act and has no representation agreement with SOZA.
- l) **Heir**
 - means a natural or legal person who, by virtue of a decision on the succession, is the holder of the property copyrights to musical works with or without lyrics.
- m) **Other natural or legal person who performs copyright under Copyright Act or under a contract**
 - for example, an employer, an exclusive license acquirer, etc.

Article 3

Registration and classification of musical works

A) Registration of musical works

1. The registration of the works shall, within the meaning of this distribution rules procedure, mean the communication of the rightsholder of the creation of property rights to created musical works with or without lyrics delivered to SOZA (hereinafter referred to as "**musical works**"). The registration shall be subject to all musical works. The musical works created before the conclusion of the representation Agreement shall be reported by the entitled rightsholder when the representation agreement is concluded. With any other newly created work the rightsholder is obliged to report the musical work as soon as it is created, not later than it is available publicly. The musical work is publicly available on the day on which it was firstly lawfully used by public execution, public exposure, issued or publicly transmissioned, or otherwise for the first time lawfully publicly available.
2. All authorised rightsholders shall report to the SOZA the relevant component of the musical work to which they are rightsholders, with the obligation to indicate the other authorized rightsholders of the musical works part. Rightsholders to musical works used in the audiovisual works also present a registration for audiovisual work. This obligation applies to all musical works composed for that particular audiovisual work, regardless of its nature (e.g., animated, documentary, distribution, television, etc.) and those cases of use of archive musical works, where the author has given consent for the use in the audiovisual work (Sync rights). An archived musical work shall mean a musical work with or without lyrics that has been created (existed) before this musical work has been synchronized with the picture or the connection of this musical work with the lyrics or the use

of this musical work in another audiovisual work, than for which this musical work was originally created. Synchronizing means the connection of a musical work with a picture.

3. In the event of the death of the rightsholder the registration of musical works/audiovisual work shall be completed by any of the eligible heirs, indicating the name and surname of the rightsholder to the musical work and this registration is signed by heir's real name.
4. In the case of another natural or legal person who carries out copyrights on the basis of Copyright Act or under a contract, a registration of the musical work and/or the audiovisual work shall be completed in the case of a natural person by that natural person and, in the case of a legal person, the person entitled to act for this legal person.
5. Notifiable for registration are also joint works and additionally musicalized literary works or musical works with additional text attached. If there are used a 1) specially connected version of the musical work with the text and a 2) version of the musical work without the use of text, each of these versions must be registered separately.
6. Musical works can be registered electronically, via the ISpA Web portal (after fulfilling the conditions for its use) or in writing by means of a form of musical work registration by request in SOZA. In the case of reporting the works through the registration paper form, this can be delivered to SOZA personally or sent via post service.
7. The musical works used in the audiovisual work are reported through the audiovisual registration (Cue Sheet) that can be obtained via the ISpA Web portal or from the SOZA website. The completed form can be delivered to SOZA electronically (via email), personally or sent via post service.
8. If the rightsholder of the musical component gives with a registration also an audio or musical note sheet of the work, or its characteristic part, it shall not be required to fill in the section reserved for the snippet (8 bars). The provision shall apply mutatis mutandis to rightsholders of a lyrics component of a musical work. Part of the registration of the musical works of special features is an audio recording of musical works.
9. The rightsholder is solely responsible for the accuracy and completeness of the data on the registration of the musical work and/or the audiovisual work registration. SOZA assumes no responsibility or liability for any damages arising from the incorrect or incomplete data referred in the rightsholders registration. The registrations of musical works and/or audiovisual registrations that are not correct and are incomplete, unreadable, damaged or otherwise degraded shall not be the base for the distribution. Such reports shall be returned to the SOZA rightsholder and shall notify him of the error in the registration, in the same way that the musical work in SOZA was registered (electronically or in writing). The works will be included in the distribution after the registration deficiencies have been removed.
10. When registering a musical work, rightsholders may indicate the amount of their shares in the musical work, the so-called distribution key. In the absence of this, the basic distribution key of the SOZA will apply, which forms Annex 2 of these Distribution rules. The basic distribution key adjusts the most common model situations, with unlisted cases being resolved with a combination of each other.
11. If a musical work is created by several composers or lyrics by multiple authors, the share attributable to the musical or lyrical component of the work shall be divided by the same ratio, unless the rightsholders agree otherwise.

12. For the purposes of correct distribution by SOZA, the arranger, translator, sub-arranger or lyricist (SC, AR, TR, SA), in the registration of the musical work, provide SOZA, together with the consent to process the work (SC, AR, TR, SA - arrangement, translation, sub-arrangement or creation of lyrics), information on the amount of the shares of the individual rightsholders concerning the revenue from the new work. If the arranger, translator, sub-arranger or lyricist (SC, AR, TR, SA) does not provide this information, SOZA shall distribute the rightsholders royalty according to the basic distribution key provided for in annex 2 of these Distribution rules.
13. Distribution key can be modified for example by publisher's agreements separately for performing and mechanical rights.
14. According to the distribution key of performing rights, the authors' royalty is distributed for the uses for which there is public presentation, communication to the public, etc. According to the distribution key of mechanical rights, the author's royalty is distributed for uses that typically involve creation of copies. For some uses, such as radio and television broadcasting, or different ways of online use, part of the author's royalty is distributed according to the distribution key for performing rights and part according to the distribution key for mechanical rights. Details are provided in article 4 of these Distribution rules.
15. In the event that the data on the authorship or the shares contradict each other, the musical work shall not be included in the distribution and the rightsholders concerned shall be called upon to SOZA to settle the conflicting data within one year or they can enforce their rights by the court. In this case it has to be reported to SOZA. If after this period of time, there are subsequently raised objections relating to authorship, shares, etc., it will not be taken into account for the royalty and for purposes related to the collective management of copyright, it will be considered that the data declared sooner are correctly reported until SOZA is proven otherwise.

B) Parallel copyrights of several rightsholders concerning musical works

1. The arranger of the musical component of the work, sub-arranger, translator or lyricist of the musical work is required to present SOZA a written consent of the entitled Rightsholder (for example, the original author of the musical work, or the publisher, if that right comes from a publishing contract concluded with the author of the musical work, the heir). For the purposes of correct distribution by SOZA, the amount of the shares of the individual rightsholders must be provided together with the consent for correct processing of the distribution.
2. The arranger of the music component of a musical work, sub-arranger, translator or lyricist shall be entitled to a share on the distribution for the musical work only if the user of the music works in the declaration for the use of the music works expressly mentioned his name; otherwise, there is no title for payment of the author's royalty.
3. If the author of the lyrics merges his lyrics with the music of another author, he is required to submit the consent from this music author. If the music author merges his music with the lyrics of another author, he/she must submit the lyrics author's consent. This obligation will also be fulfilled if the author of the original musical works provides a separate registration for the joint work.
4. The creation of a musical work by processing, arrangement or by translating another musical work without the consent of the authorised rightsholder (for example, the original author or the publisher, the heir) has the effect of civil liability for copyright infringement and will not be included in the distribution for this new musical work. This applies equally to the use of the original musical work in a joint work, without the consent of the author of the original musical work.

C) Classification of musical works

1. For the purposes of this Distribution rules and annex 1, the following definitions of selected terms shall apply:
 - a) **Public Domain**
 - the musical work becomes public domain if the duration of the property rights under the Copyright Act has expired, or if the author has no heirs or if the heirs refuse to accept the inheritance, even before the expiration of property rights under the Copyright Act.
 - b) **Sub-arrangement (AR)**
 - is understood to be an alteration of a work for the purpose of adapting it for requirements of an orchestra, or other specified music instrument, voice or author's sound editing and subject to the "CISAC's Categorisation of Rights holders", while meeting the relevant provisions on work alternation of the Copyright Act.
 - c) **Arrangement (SC)**
 - used herein, refers to altering work in compliance with the relevant provisions on work alternation of the Copyright Act.
 - d) **Large instrumentation**
 - means a large dance orchestra or symphonic orchestra (in category P4 of annex 1).
 - e) **Brass band ensemble**
 - means the brass music in the cast up to 17 voices (in category H2 and H3 of annex 1).
 - f) **Large brass ensemble**
 - means the brass music in the cast from 18 voices (in category H4, H5 Annex 1).
 - g) **Genre**
 - genres are the styles of classical music, popular music, folk music, brass music, experimental music or music of special features.
2. Each duly registered musical work shall be included in the appropriate category by a Classification Committee in accordance with annex 1 of these Distribution rules. One musical work in the same arrangement may be declared by every rightsholder only once and included in only one category, the classification of musical works under the previous Distribution rules remain unaffected.
3. By classification in the appropriate category, each musical part is assigned 2 point values according to the Point table for musical works. The Point table can be found in annex 1 of this Distribution rules.
4. The first assigned point value of the musical work is for the purpose of distribution in radio and television broadcasting, cable retransmission and other communication to the public methods other than online. This point value corresponds to every minute of the use of the musical work.
5. The second assigned point value of the musical work is for the purpose of carrying out the distribution of the live public performance. This point value is allocated according to the classification and duration of the musical work for each and every five minutes of musical work started.
6. The creative contribution to the work shall be assessed by the Classification Committee, which shall be entitled to request all necessary materials. The contribution extent of works declared and included under the Distribution rules that are still applicable shall be reconsidered only on the initiative of the rightsholder.
7. New musical works which have been created by the arrangement, sub-arrangement or other adjustments of the public domain work or its component (for example, works included in categories

P1, L1-L5, H1-H4), will receive the point value according to annex 1 to these Distribution rules multiplied by a coefficient, the value of which corresponds to the value of the percentage referred to in annex 2 to these Distribution rules.

8. If it is necessary for the proper classification of the musical work, the Classification Committee may suspend the classification of the work and require the addition of other necessary information and data. If the petitioner does not provide the appropriate additional information to the Classification Committee, the work shall be classified in the lowest category of the relevant genre, which is to be considered according to the available documentation. When assigning the works of rightsholders represented by foreign collective rights organisations to the relevant categories according to the Point table, it is based on information available from the International database of musical works, from databases of organizations for collective rights management or from other available sources.
9. If the Classification Committee finds that the registered musical work does not meet the conditions laid down in § 3 (1) and § 8 (1) of Copyright Act, such a musical work shall not be included and the reporter shall be informed about it.
10. Musical works which, at the time of processing the distributions, have not been reported and classified, shall not be included in the SOZA statement for the distribution period; these musical works shall apply mutatis mutandis the regime for contractually unrepresented authors provided for in article 7 of this Distribution rules.

D) Other Obligations of rightsholders

1. Rightsholder is obliged to submit SOZA all contracts and agreements that can according to their content affect distribution rules e.g. publishing contracts concluded with a publisher unrepresented in SOZA or an aggregator providing the placement of musical works on online services and etc.)

Article 4 Distribution

A) Basic Principles

1. SOZA distributes the author's royalty for the musical works to which SOZA provides consent for its use, and for this use acquires royalties:
 - On the basis of representation agreements;
 - under Copyright Act;
 - On the basis of international agreements with foreign collective management organisations.
2. The basic condition for the distribution of the royalties is the proper and timely registering of musical works (the registration of musical works), or works composed for or used in audiovisual films and series (cue sheet) and their classification by Classification Committee, not excluding the collective management of the rights by the rightsholder for the field of collective management that is distributed and the payment of the amount of the author's royalty by users, together with the relevant communication on the use of musical works, if necessary.
3. The subject of the distribution is the actual use of musical works. If the consent for the use of musical works within the meaning of the Copyright Act (license) is not used by the user at all or in part, the

rightsholder shall not be entitled to the distribution of declared musical works which have not been used.

4. The statement of the royalty for the musical work of the SOZA shall be carried out in accordance with all its available data on the rightsholders and the musical works, provided that the available data are not contradictory, or in a case when the author has not refused the co-authorship or consent to create a joint work with works that are already reported to the SOZA by other rightsholders.
5. Each rightsholder is involved in the distributed author's royalty in the extent of the rights in which he is represented by SOZA at the time for the income of the royalty. In the case of rightsholders represented via reciprocal agreements, the relevant ' IPI ' of the rights declared by the relevant foreign organisation is decisive.
6. In the case of unauthorised adjustments, there is a presumption of the use of original version of the work, including the lyrical component of the work.
7. The right of payment of the author's royalty through SOZA is incurred after payment of the royalty from the users of these works to SOZA.
8. The author's royalty paid by specific user in a given distribution period after deductions to SOZA and to social and cultural purposes forms the so-called allocation of funds to distribute for a given period by a particular user.
9. In special cases of late payments paid during the next distribution period, or delays in the reporting of the works used, the SOZA Supervisory Board may decide to split the allocations to the next distribution period.
10. Before concluding the distribution, the SOZA Supervisory Board shall carry out a random check on the correctness of the input data, in which the comparison of the results of the accounts for the previous year and the verification of the accuracy of the documents in the case of the most significant unbalance verifies if the input data are used correctly.
11. In the event of any doubt as to the list of the musical works used by the user, the SOZA Supervisory Board is entitled to contact the rightsholder concerned in order to resolve the situation and, where necessary, the SOZA Supervisory Board is entitled to suspend the payment of the copyright royalty to the rightsholders concerned, or to exclude the list of the musical works used by the user in question from the distribution.
12. If the SOZA Supervisory Board decides that the rightsholder has not refuted in sufficient manner the doubts arising from the list of musical works used within the time set by the SOZA Supervisory Board, the SOZA Supervisory Board is entitled not to accept this list of the musical works used and to transfer the acquired author's royalty to the per analogy distributed income (article 4, part K of Distributions rules).
13. The rightsholder must not affect the veracity of the data in the list of musical works, or require the user of musical works to give false information in the list of musical works. If such a situation occurs before the conclusion of the statement, the SOZA Supervisory Board is entitled to exclude that list from the statement of accounts. At the same time, the SOZA Supervisory Board is entitled to require reimbursement of costs in connection with the correction of the statement and any other damages from that rightsholder. In order to pay for this damage, the copyright royalty of this rightsholder may be set off within the meaning of the relevant legislation. If such a situation occurs after the conclusion of the statement, the SOZA Supervisory Board is entitled to require, in addition to the above claims, the issue of unjustified enrichment.

14. In the case of public cultural event, when the organiser will not allow the proper inspection by the Inspector of SOZA and therefore it will not be possible to properly verify the truthfulness of the reporting of the musical works, the SOZA Supervisory Board is entitled to decide whether the author's royalty, paid by the relevant user for this public cultural event are accounted for in a full census distribution method (article 4, part G of Distributions rules) or in a per analogy method (article 4, part J of Distribution rules).

B) Distribution methods

1. SOZA distributes author royalties for musical works in a full census distribution method and per analogy distribution method.
2. **Full census distribution method** - it is such that SOZA statistically processes user reports and distributes the resources paid by these users to the extent of the use of musical works.
3. In general, allocations are divided into amounts attributable to individual musical works, used by this user. This is directly reflected in the **Scope of use of the works** (actually transmitted minutes of the works, or for live performances, the number of works in a given distribution period), **Amount of the author's royalty paid by users** and in the case of most of the statements also **Point value of the works** (determined by the classification of the work by the Classification Committee).
4. Otherwise expressed, author's royalty for one work is the product of its point value, duration and the amount of funds to be distributed from the user divided by the sum of such products of all identified represented works used by that user.
5. Mathematically expressed: the author's royalty for work x from user y are the means to divide from user y times the point value of the works X, times minutes x, divided by the sum of the product of the point values and minutes of all identified represented works used by this user.

Formulae:

$$AO_{xy} = \frac{PNR_y \times BHD_x \times MIN_x}{\sum_{i=1}^n BHD_i \times MIN_i}$$

Where:

- AO_{xy}* - Is the author's royalty for work x used by the user y.
- PNR_y* - Are the allocations from user y received for a given distribution period.
- BHD_x* - Is the point value of the work x, or the point value of the respective method of use of this work (for the music of special functions).
- MIN_x* - Is the total minutes use of work x by user y in a given distribution period.
- BHD_i* - Is the point value of the work i, or the point value of the respective method of use of this work (for the music of special functions).
- MIN_i* - Is the total minutes use of the work i by user y in a given distribution period.
- n* - Is the number of all identified represented works used by the user y in the given distribution period.

6. Consequently, the author's royalty for each identified represented and used musical work is divided between the individual rightsholders of this works according to the corresponding distribution key. The individual shares are then summarized according to the eligible rightsholders and are paid as authors royalties for the distribution period.

7. In the case of public performance of the work SOZA instead of minutes takes into account the number of performances of the work.
8. In the case of audiovisual distribution, online distribution and distribution for the production and sale of sound and audiovisual carriers, SOZA does not take into account the point value of the work.
9. **Per analogy distribution method** is a method when SOZA does not process user reports because they cannot be obtained or is not effective to process them. Then, the author's royalties are distributed by the analogy method, that is, according to the reports of other users whose reports SOZA statistically processed using the full census distribution method.

In parts C) to I) you can find a more detailed description of the full census distribution method for specific types of use.

C) Common rules for the distribution of radio and television broadcasting

1. The distribution period for the distribution of radio and television broadcasting is a calendar year.
2. SOZA divides the copyright royalty received from each broadcaster into two parts. The first part, which is under performing rights, forms 2/3 of broadcasters paid royalty for the relevant distribution period and is divided according to the relevant distribution keys of performing rights. The second part, which concerns mechanical rights, forms 1/3 of broadcasters paid royalty for the relevant distribution period and is divided according to the respective distribution keys of mechanical rights. From both parts, after deduction for the service of collective rights management and deductions for social and cultural purposes, there are created funds for further distribution to the rightsholders which SOZA represents in the relevant field of collective rights management.
3. Any identified and represented musical work reported by a statistically processed broadcaster shall be kept in statistical records showing duration of its use in radio and television broadcasting. If the scope of use of work/works including its/their variants included in the category of music of special functions or used in this way exceeds 1 000 minutes for one broadcaster within one distribution period (calendar year), minutes exceeding this limit shall use a coefficient of 0.5. In the event that the minutes exceeds the limit of 10 000 minutes, the excess part will use the coefficient 0.1. In this case the coefficient of 0.5 shall not apply to minutes exceeding the limit 10 000.
4. In the case of Rozhlas a televízia Slovenska ("RTVS"), if it is not stipulated differently in a written agreement between SOZA and RTVS, SOZA will distribute royalties in two parts on the basis of the payment of the copyright royalty for the period when Slovenská televízia and Slovenský rozhlas were separate organizations, one part designated for the distribution of the television stations and the second part intended for distribution of the radio stations.
5. If the music work is used in radio and television broadcasting as music of special functions, it is distributed with a point value according to how it is used - as the music of special functions (hereinafter referred to as "HŠF"), regardless of how this musical work was classified by the Classification Committee, as follows:

Usage type	Points Value of musical works
Introductory and final songs	2
Signals	0.3
Jingles	0.05

Audio Loops	0.01
Music in advertising and in the trailers	2
Background music	0.3

An exception consists of autonomous music used as background, which is charged with a point value equal to 10% of its point value in accordance with annex 1 of these Distribution rules.

Explanation of the terms used in this part of Distribution rules:

- The term **autonomously used musical work** with or without lyrics means a musical work, the function of which is autonomous full use without visual or sound context, which is not an artistic part of the musical work or its demonstration (these are musical works included in any category of Point table except the category of Music of special features).
- The term **Production music / Music of Special Features (HŠF)** means a musical work with or without lyrics which is designed to be used in a visual or sound context, or any other musical work with or without lyrics created for another purpose but was used in visual or audible context.
- The term **Introductory and final songs** mean songs with lyrics used for the introduction or conclusion of a particular television, radio programme or public event.
- The term **Signals** means music used for the introduction or conclusion of a television, radio programme or public event, characterizing a particular television, radio programme or public event.
- The term **jingles** mean short music works used to divide parts of television, radio programmes or public events. They also occur as the so-called Audio logos.
- The term **Music in advertising and in the trailers** means music used in an advertising spots or in a trailer for a TV or radio programme.
- The term **Background music** means music used as a music background. It is used as a background for the main storyline, narration and image or written text, etc.
- The term **Audio Loops** means a musical work without musical development, which is made up of very short, often repetitive sound sections without change.

D) Distribution for broadcasting of musical works

1. When calculating the amount of the author's royalty for the radio use, the point value of the musical work shall be taken into account.
2. For radio stations of RTVS, from the specified portion of the royalties:
 - 2.1. 90 percent applies to distribution works in program service circuits of Rádio Slovensko, Rádio Devín, Rádio Regina, Rádio_FM, Rádio Patria, Rádio Slovakia International;
 - 2.2. 10 percent is used for the distribution of works in other radio programming services of RTVS;
3. The percentages referred to in point 2. of this part of the Distribution rules shall apply only in cases where the making available to the public of the work is not specifically regulated in the contracts.

E) Distribution for television broadcasting of musical works, audiovisually used works and audiovisual works

1. The allocation of both performing and mechanical rights is subsequently divided into parts, one for the **film distribution** for the musical works used in audiovisual works, entering in which are distribution and television films, TV series, documentaries, etc. and the second part for so called **non-film distribution** for other musical works used in television broadcasts (e.g. journalism, records of concerts of classic and popular music, video clips, news, ads, jingles, background music for the teletext). This division shall be calculated according to the total minutes of all musical works reported by the television broadcaster in the relevant distribution period, the minutes of the works in the film distribution being taken into account by the coefficient of 0.35.
2. The film distribution does not take into account the point value of the musical works used, but takes into account the total minutes of the individual identified music works used in the film, or the TV series in the distribution period with an accuracy of 1 second. The minutes of musical works in films and TV series produced directly by the television broadcaster or co-produced by this television broadcaster shall be multiplied by a coefficient of 2 in the film distribution.
3. In the film distribution, the SOZA Supervisory Board or an expert working group set up by it may decide to multiply the minutes of musical works that are broadcasted in large extent during the distribution period using coefficients ranging from 1,0 to 0,1, if the musical works that are used fulfil a less significant function (ephemeral function) depending on the scope of use, relative loudness and degree of ephemerality.
4. In the non-film distribution for other musical works used in the broadcast of televisions, the point value is taken into account.

F) Distribution for cable retransmission

1. SOZA collects copyright royalties from cable retransmission providers that are providing the distribution of broadcasted music through cable, satellite or a microwave system.
2. The distribution period for cable retransmission is the calendar year.
3. 70% of the allocation for cable retransmission is intended for distribution according to television programming services and 30% according to the reports of radio programme services that have been retransmissioned by cable operators.
4. For the distribution of television programming services, the crucial criterion is viewership. The amount for the television programming service will be distributed in proportion to the individual services on the basis of available information on the market share of these services in the primetime in the distribution period. Television services with a market share monitored shall be given the amount corresponding to their market share. In the case of services for which market share information is not available, the author's royalty corresponding to the share of these television services in the overall market share shall be distributed equally to every each one.
5. For the distribution of radio programming services, the number of connections containing the radio service is the determining criterion. The individual radio circuit shall be assigned an amount calculated on the basis of the proportion of the number of connections/households that were available for to the relevant radio service, against all connections with radio circuits. SOZA uses cable operator reports for a distribution period with an accuracy evaluation of 1 month.

6. The royalties for the retransmission of television and radio broadcasters that are licensed by SOZA are distributed in the same way as the author's royalty received from these broadcasters.
7. Royalties are calculated according to the relevant distribution key of performing rights.
8. Funds for distribution of the retransmission of works by foreign broadcasters are forwarded by SOZA to the competent foreign collective management organizations which have granted the licence for initial broadcasting, respectively, which, in accordance with the mandatory rules CISAC shall offer the most accurate statements to rightsholders whose works have actually been used in the broadcasting of a localized version of the broadcaster's programme.
9. Funds for distribution attributable to television and radio programming services, the reporting of which SOZA statistically does not process or does not forward to a foreign collective management organization, since such an option does not exist or does not provide a full census distribution exactly corresponding to the broadcast programme, SOZA distributes the corresponding copyright royalty as an per analogy income under article 4, part K) of these Distribution rules, by analogy.

G) Distribution for public use of work by performing a work live and by performing a work using technical means

1. When calculating the amount of the copyright royalty for public execution of work as a live performance, the point value of the musical work is taken into account.
2. A statistical record of a number that the work was used shall be kept for each live performance reported by the user.
3. Royalties are calculated according to the relevant distribution key of the performing rights.
4. Public execution of the works using playback or half-playback and experimental music are distributed in the same way as live performances of musical works.
5. When performing a work live, SOZA considers the works performed by a "support band" as an equivalent to the works performed by the main band (headliner). In the case of a major live event pursuant to Article 4, Part G, point 12 of these Distribution rules, in which the headliner and the support band can be identified and where the works of popular music are predominantly used, the royalty is distributed in proportion 80% for the rightsholders of the musical works performed by the headliner and 20% for the rightsholders of the musical works performed by the support band at this major live event. This ratio can be changed by agreement of all rightholders whose musical works were used at the major live event. This agreement shall be delivered to SOZA within 15 days after the major live event. In cases of dispute, the SOZA Supervisory Board decides in determining the headliner and the support band.
6. Where musical works are used in a public cultural event in a number of ways (for example, live performances, technical performances, communication to the public, etc.), distributed is the part of the paid author's royalty corresponding to the live performance under this part of Distribution rules. The remainder of the paid author's royalty for other uses is distributed according to their method of distribution. The individual parts of the author's royalty pertaining to different uses are mathematically rounded up to the $\frac{1}{4}$ (i.e. for representation in values 0, 25, 50, 75, 100%). In the case where the non-zero part of the author's royalty corresponding to the live performance should have been rounded to zero, it shall be rounded up to the nearest non-zero value, i.e. to 25%. This does not apply to major live events pursuant to Article 4, Part G, point 12 of these Distribution rules, in which SOZA will always use a 100% live performance share, that is, the royalty paid will be distributed solely on the basis of the live performance report.

7. If SOZA will have available a share of the individual rights management field reported by the user, SOZA will use this share in the calculation (after rounding). Otherwise, SOZA shall use the relevant share from the table "standard share of the representation of the collective rights management fields in the relevant method of use of musical works" approved by the SOZA Supervisory Board. For major live events under Article 4, Part G, point 12 of these Distribution rules, Article 4, Part G, point 6 of these Distribution rules shall apply.
8. The SOZA Supervisory Board shall have the right to exclude, for the purposes of the distribution, all lists of works performed for which SOZA has the information that the performances did not happen.
9. In the event that the user of the music works delivered to SOZA several times within a year a list of performed musical works for a public cultural event which will not take place, without informing SOZA, the SOZA Supervisory Board may decide to not accept all the lists of performed musical works of such a user for the year in question.
10. If SOZA, when a work is performed live, has an information that only part of the work is used ("Snippet"), it sums the parts of the same work for the whole year and rounds the result up to with an accuracy of 1 performance. In the absence of information about the duration of the individual snippets, the length of the snippet is calculated from the proportion of the total time of the musical part at the concert and the number of performed tracks. In the case of educational concerts, the duration of the work used is based on the presumption that the music component of the educational concert takes 40 minutes, if there is no other information provided by the organizer.
11. For the purposes of these Distribution rules, music installations are considered to be public executions of the work and are distributed in a self-addressed method. The use of musical installations in one day shall be considered as a single use of the works and reports shall not be used as a model for the distribution of funds per analogy (article 4, part J), point 6. of Distribution rules).
12. **Major live events** (i.e. concerts where the amount of the author's royalty invoiced to the organizer exceeds or equals the limit of € 1 000) are distributed always preferentially, individually and separately from other live performances.
13. Reports of major live events shall not be used as a model for the distribution of funds per analogy (article 4, part K), point 6. of Distribution rules).
14. **Other live performances** (i.e. other than major live events) are distributed according to the following rules:
 - 14.1. The date of payment of royalties is decisive for the inclusion of the report on used works (playlist) in the relevant distribution.
 - 14.2. Wherever possible, royalties coming from the payment of the organizer for this event to the authors whose works were used at this event are distributed separately for each event. The basic separately distributed unit is the royalty invoice item. If several events were invoiced as one item, they are distributed together.
 - 14.3. In the case of multi-day events, if the date of use of specific musical works cannot be determined from the playlists provided, these will be distributed together with other musical works reported by the user for the entire event.

- 14.4. Royalties paid under special cumulative licensing agreements that SOZA has concluded with some atypical users (for example, with philharmonics, symphony orchestras, some festivals, etc.) may be subject to deviations resulting from the special method of licensing.
- 14.5. Live performances of musical works by performers in concerts are distributed separately.
 - 14.5.1. The essential component of the concert is the performance of musical works by the performing artist, which, in its importance and time, dominates the event. In the event of a spoken word, a short dance insert, visual effects, or any catering, etc., these form only secondary/non-important component of the event, as compared to the performance of the musical works - concert.
 - 14.5.2. SOZA distributes also live performances of musical works by performers in a different event than the concert. In addition to the performance of musical works, such an event includes both a performer and spoken word, dance performances, visual effects, catering or other means of performing the musical works, with the fact that this (non-musical) part of the event forms, as opposed to the concerts referred to in point 14.1.1., is in time and importance, an important part of the event. Examples of events in this category are, for example, dance performances, balls, other dance entertainment, another entertainment or competitive program, talk-shows or all-day events, such as feasts, fairs, vintages, etc.
- 14.6. Live performance of musical works as a musical background and is generally used usually while dining or eating is distributed separately.
 - 14.6.1. This is a specific category of events where the performance of musical works is mainly performed by the accompanying function to another activity. The purpose of the performance of music works is primarily to create an atmosphere, and the mere demonstration of musical works in these cases is not the primary part of the event and constitutes, in comparison with this other activity, a marginal component of the event.
- 14.7. SOZA Supervisory Board may decide on a separate distribution for all events that meet the following criteria for disputed reports that SOZA has knowledge of.
 - 14.7.1. The SOZA supervisory board may, in order to assess potential suspicious reports, set up an expert group.
 - 14.7.2. The disputed reports are in particular those that show any of the following signs: inspection records from the same or similar event give rise to a reasonable suspicion that the event has not taken place or that the report does not correspond to the musical works presented, or it has been supplied or corrected by the user after the statutory 15-day period, they contain a significant number of works (usually more than one third) of the same rightsholder, or of the same group of rightsholders, the rightsholder is involved in the performance of the works as a performer, reports contain a large number of works carried out (more than 18 per hour), the organizer is the rightsholder that is referred in the reports, or is a close person to him, or the statutory authority of the organizer, or a member of the statutory body of the organizer is a close person of the rightsholder referred in the reports, and there are reported in a non-standard number of times (usually more than 30) similar events in the distribution period.

15. In ambiguous and contentious cases, the SOZA Supervisory Board shall decide on the method of distribution.

16. The method of distribution for public performance of a work using technical means is determined by the following rules:

16.1. Public performance of a work using technical means is usually distributed in a non-addressed manner (Article 4, Part K, of Distribution rules).

16.2. In special instances, SOZA may, at the request of the user, distribute the public performance of a work using technical means in an addressable manner i.e., in same way as the public live performance of a musical work. Reports can be distributed separately and will not be used as a template for the distribution of non-addressed funds by analogy (Article 4, Part K, point 6. of Distribution rules).

H) Distribution for public performance of the work by technical means in cinemas (cinema screening)

1. The distribution period for cinema screening shall be the calendar year.
2. In the cinema distribution, all funds received during the distribution period shall be distributed to the amounts due for each of the films screened for which the SOZA has complete documentation at the time of the documentation, according to reports on the amount collected for screening of the film from the Film Distributors Union.
3. In the distribution for cinema screening, the point value of the musical works used shall not be taken into account. Total duration of the individual identified musical works used in the film during the distribution period with an accuracy of one second shall be used instead.
4. Royalties are calculated according to the relevant distribution key of performing rights.
5. When processing summary reports from the Union of Film Distributors for the whole distribution period, it is not possible to evaluate the representation of individual rightholders by a collective management organization to a specific day, and therefore SOZA evaluates it as at 31 December of the distributed calendar year (for example, if the rightholder changes the collective management organization that represents him during the distribution period, then the royalties for the entire distribution period are distributed to the collective management organization that represented him on 31 December of the distribution period).

I) Distribution for the production and sale of sound and audiovisual carriers

1. Fees are calculated according to the relevant distribution key of the mechanical rights.
2. The point value of the works shall not be taken into account.
3. The basis for the distribution is the following basic data:
 - a) The number of pieces of sound or audiovisual carriers reported,

- b) The length of the represented musical works in proportion to the total minutes of the musical works on the carrier according to the manufacturer's report,
 - c) Price of the carrier and
 - d) Percentage by applicable SOZA tariff.
4. The author's royalty for the particularly represented musical works on a particular carrier is calculated on the basis of their duration ratio of minutes.

J) The distribution for making available works to public, so-called Online

1. Under Online we understand the dissemination of music works through the internet or via mobile operators' networks.
2. In the case of distribution of royalties, one of the three methods is to be determined by the SOZA Supervisory Board on the basis of the principle of effectiveness:
 - a) Work by work distribution. In this case, the funds for distribution are firstly allocated into a part to be distributed according to the relevant distribution keys applicable to performing rights and to the part to be distributed according to the relevant distribution keys applicable to mechanical rights, according to the method of use:

How to use	% distributed by distribution key for performing rights	% distributed by distribution key for mechanical rights
Download, phone ringtones, Karaoke Download, Cloud	25	75
Streaming, Webcasting, Karaoke Streaming, user-generated content on YouTube (UGC) Temporary/Bound Download (Tethered Download)	75	25

Thereafter, royalties will be calculated on the basis of the amount paid by the user for the relevant musical work. If this amount is not detectable (for example, when a lump-sum payment is made by a user) or SOZA fails to determine it at the time of the distribution, the distribution will be made according to the statistics on the number of uses of each works. The duration of the work itself or the point value of the works shall not be taken into account.

- b) distribution per analogy when funds are distributed per analogy with royalties of other processed setlists (e.g. radio, TV).
- c) the combined distribution in which the royalties are collected for the most played works and are accounted for in accordance with point (a) of this part of the Distribution rules and the royalties for works whose scope of use has not reached the limit specified for the particular user and method of use are distributed as per analogy royalties under point (b) of this part of these Distribution rules. The limits are set by the SOZA Supervisory Board on the basis of the principle of effectiveness. In the case of a licensing model in which SOZA must claim a copyright royalty for works represented by SOZA, the author's royalty for works whose scope of use has not reached the specified limit may also be distributed as work by work.

3. The rules for distribution of Online can be changed in individual cases such as - atypical contracts with users for new method of uses, in the case of multi-territorial users or agreements with foreign collective rights management organizations.
4. SOZA Supervisory Board may delegate the processing of the reports and the calculation of the author's royalty, for example in the multi-territorial licensing for online, to a foreign collective rights organization or another organization, if this increases efficiency, or the quality of report processing. In this case, online royalties have the nature of royalties from abroad.

K) Usages distributed by per analogy method

1. SOZA distributes per analogy the following revenues:
 - Private copy levies for production and import of unrecorded sound and audiovisual carriers (e.g. memory cards, hard drives, CD media, DVD Media, USB sticks);
 - Private copy levies for the production and import of devices used for the creation of sound or audiovisual records (e.g. mobile phones, tablets, computers, set-top boxes enabling recording of the work that can be stored on other independent technical device or record carrier);
 - Copyright royalties for public performance of live shows for which SOZA has not received reports of musical works (such as concerts and other live events);
 - Copyright royalties for public performance using technical means (e.g. discotheque, Jukebox), except for royalties related to cinema screening (e.g. radio or television receivers in the premises) and for the public performance of a work using technical means in accordance with Article 4, Part G, point 16.1 of Distribution rules)
 - Copyright royalty for work copies of DJs;
 - The author's royalty for use in which the processing of reports would be ineffective (for example, Info channels, or the author's royalty for the broadcasting of the programme services, or the use of the author's royalty for online uses with a low amount of author's royalty and extensive used repertoire);
 - The author's remuneration for the rental of recorded sound and audiovisual carriers.
2. The SOZA Supervisory Board may on the basis of the principle of effectiveness decide which royalties will be distributed in a per analogy manner.
3. Fees are calculated according to the relevant distribution keys of performing rights.
4. The point value of the works shall be taken into account in the same way as in the full census distribution method according to the reports used.
5. Per analogy distribution is distributed by analogy as the distribution of statistical royalties under the full census distribution method distribution.
6. 90% of per analogy income coming from distribution funds for the main distribution, except for the exceptions specified in points 7 and 18 of this part of the Distribution Rules, is distributed according to selected statistically processed reports of radio and television broadcasters. The remaining 10% is distributed according to reports of event organizers with live music performance. Under reporting of television broadcasters, the minutes are taken into account of identified represented works the same way as in their statistical processing for the purposes of the full census distribution (article 4, part E, point 1. of Distribution rules), and in the case of public execution by live performance, this minutes take into account the number of uses of the identified represented works. The amount of

the author's royalty paid by the statistically processed user whose reports will be used shall not be taken into account in this per analogy way of distribution.

7. Differently as was stated in point 6. are distributed revenues for online which are accounted for in a combined manner pursuant to article 4, part I), point 2., (c) of Distribution rules, according to statistically processed reports in the relevant online distribution. In the event that the SOZA forwards the processing of online reports to a foreign collective rights management organization or other organization, these per analogy portions of the income for online may be distributed in another way.
8. In the case of reporting of per analogy distribution revenues, the reports of statistically processed live performances shall be taken to account as follows:
 - a) Reports referred in article 4, Part G, Item 14. of Distribution rules shall be used as a model for the distribution of per analogy means by analogy with a coefficient of 5;
 - b) Reports referred in article 4, Part G, Item 14.6. of Distribution rules (musical background) shall be used as a model for the distribution of per analogy funds by analogy with a coefficient of 0.2;
 - c) Reports referred in article 4, Part G, Item 14.7. of Distribution rules (disputed reports) shall not be used as a model for the distribution of per analogy funds by analogy.
9. When gradually paying royalties for the same event, which cannot be paid in one distribution, but will also affect the next distribution(s), non-addressed royalties will be calculated and paid only in the first distribution, as these royalties are paid based on the scope of use and not on the actual amount of royalties.
10. SOZA takes into account reports of statistically processed television programming services with the coefficient of 1.
11. Unless otherwise specified in this Distribution rules, the reports of all statistically processed radio programming services used in their full census distribution shall also be used for the distribution of per analogy revenue with the resulting coefficient allocated to each radio programme service to the extent how much the following criteria are met during the distribution period:
 - a) Share of the repertoire in the Slovak language.
 - b) Share of classical music, jazz and exceptional works of other genres - specifically, the works are classified in categories V1 to V10, P5, P6, L6, H6, X in the Distribution rules. Corresponding categories in previous Distribution rules, i.e. A1 to A9.
 - c) Share of own and outsourced production.
 - d) Share of live productions or live recordings.
 - e) Share of editorially processed entries related to music.
 - f) Share of regional repertoire.
 - g) Share all other genres in addition to popular music on the overall scope of the broadcast.
 - h) Share of the repertoire of young authors-age up to 30 years.
 - i) Share of own music events related to broadcasting (festivals, concerts, etc.).
 - j) Programme diversity, measured by the number of different works on the radio station.

For criteria a) and b), there are five levels of implementation which allocate the following amounts of sub-coefficients:

- Level 1: 1 point
- Level 2: 3.5 points
- Level 3: 6 points

- Level 4: 8.5 points
- Level 5: 11 points

For criteria c) to j), there are three levels of implementation, which allocate the following levels of sub-coefficients:

- Level 1: 1 point
- Level 2: 3 points
- Level 3: 5 points

The resulting coefficient for the radio station shall be calculated by dividing the incremental sub-coefficients by the number of met criteria.

12. The fulfillment of each criterion shall be determined by the SOZA Supervisory Board, on the basis of the amount of the incremental sub-coefficients of each radio service for each criterion.
13. In the absence of information on the fulfillment of individual criteria, the SOZA Supervisory Board may use a value of 1, the average value in a given criterion, the maximum value in a given sub-coefficient, or the value of the previous distribution period, if this is known.
14. All radio programme services of RTVS referred to in article 4, part D), point 2.1. of Distribution rules, which are used as a model for the distribution of per analogy funds by analogy, will be assigned one common resultant coefficient.
15. Reporting of other radio programme services of RTVS within the meaning of article 4, part D), point 2.2. Distribution rules will not be used as a model for distributing per analogy funds by analogy.
16. If per analogy funds are distributed according to the reports of the statistically processed broadcasters, the coefficient referred to in article 4, part (C), point 3 of Distribution rules shall also be taken into account when calculating the author's royalty and private copy levy corresponding a particular musical work.
17. If per analogy funds are distributed according to the reports of the statistically processed television broadcasters, the coefficient referred to in article 4, part (E) point 3. of Distribution rules shall also be taken into account when calculating the author's royalty and private copy levy corresponding a particular musical work.
18. A special category of per analogy funds are compensations for remunerations (the first two bullet points of Article 4, Part K) point 1.) For the funds for distribution formed by these compensations, half is accounted for together with other per analogy income according to the rules specified in Article 4, Part K) points 1. to 5. and 10. to 17. and the second half is divided into four equal parts, which will be distributed successively according to the amounts of royalties of rightsholders in four consecutive quarterly distributions of multi-territorial audio online services in accordance with Article 4, part J) point 4.

L) Unidentified royalties

1. Unidentified royalties are the royalties collected by SOZA, which rightsholder cannot be determined or found.
2. When dealing with unidentified royalty, SOZA operates according to the provisions of the Copyright Act, the specific principles of the use of royalties, equitable royalty and additional royalty collected by SOZA, for which it is not possible to identify or find rightsholders and other SOZA regulations.

M) Distribution of copyright royalty to abroad

1. The collection, administration and distribution of copyright royalties for all types of use of the musical works of foreign rightsholders, represented by foreign collective management organizations with which SOZA has concluded bilateral agreements, is identical as for domestic rightsholders.
2. Point value is determined using foreign documentation (data on CIS-Net, Fiche Internationale and/or a Cue Sheet) as well as the statistical documents.
3. In the case of incomplete documentation, SOZA will use internationally recognised rules for the distribution of the royalties (CISAC Binding Resolutions).
4. For those foreign rightsholders whose fees for postage and bank transfer are higher than those of their royalty, SOZA does not pay royalties immediately, but only when they exceed these amounts.

N) Distribution of copyright royalties from abroad

1. Copyright royalty received from abroad on the basis of bilateral copyright agreements with foreign collecting societies which have been calculated by these organisations on the basis of their distribution schemes shall be distributed in accordance with the documents provided by foreign rights collecting societies.

O) Terms of distribution and payment of copyright royalties

1. The distribution period for all types of use of musical works is usually a calendar year.
2. The distribution of copyright royalties for broadcasts, live performances, retransmissions and per analogy distribution, audiovisual distribution and also distribution for public performance of the works by technical means in cinemas (cinema screenings) for purposes of distribution is called the Main distribution. The Main distribution shall be carried out at least once a year, normally by the end of June of the following calendar year, but not later than the end of September of the calendar year following the calendar year in which the royalties were collected.
3. Additional distributions made on the basis of publicly available lists of unidentified works shall SOZA distribute to the rightsholders in principle together with the following Main distribution.
4. The additional distribution made on the basis of the additional royalties collected on the basis of judicial or extrajudicial settlements shall be forwarded to the rightsholders in the principle together with the following main statement.
5. The distributions of major live events shall be carried out independently of the other distribution terms at the time necessary to process the data in accordance with the provisions of the Copyright Act.
6. The distribution of the copyright royalty for the production and sale of sound and audiovisual carriers shall be carried out at least once a year, as a general rule half-yearly, but not later than the end of September of the calendar year following the calendar year in which the author's royalty was collected. It shall be forwarded in principle only after the payment of the invoices that were addressed to the producers of sound and audiovisual carriers.
7. Distribution of copyright royalty for online use under article 4, part J, point 2. (a) or (c) of the Distribution rules is implemented depending on the technical ability of SOZA to process data from

online users. Distribution of the copyright royalties for online under article 4, part J, point 2. (b) of the Distribution rules is implemented as part of the main statement. If the SOZA Supervisory Board delegates the processing of the reports and the calculation of the author's royalty, for example in the multi-territorial licensing of online, to a foreign collective rights organisation, or another organisation pursuant to article 4, part J, point 4. of Distribution rules, the distribution of the copyright royalties for online will be governed by the terms of this organization.

8. The distribution of copyright royalties received from abroad is forwarded to the rightsholders on a continuous basis, as it is gradually processed. The extent of the information provided for the distribution from abroad may be limited, taking into account their availability from foreign documents.
9. Where the distribution of the copyright royalty within the period before the end of September of the calendar year following the calendar year in which the author's royalty was collected is not possible due to reasons on user's side or on the side of the rightsholder, SOZA shall forward the royalty within six months after the reasons cease to exist.
10. The royalties from the statements shall be credited to the personal accounts of the represented rightsholders that are saved in the bookkeeping of SOZA. After all the deductions are made, the royalties will be credited without undue delay in the agreed manner (e.g. bank account, postal voucher).
11. The minimum amount of royalties to be transferred to the domestic rightsholder is € 10, separately for the use of his works in Slovak Republic and separately for their use abroad. Royalties from individual distributions are gradually accumulated in the rightsholder's account until they reach this value. In the event that the rightsholder requests the payment of an amount lower than € 10, SOZA will pay this amount after an arrangement with this rightsholder.

Article 5 Claims

1. If the rightsholder asks to check the accuracy of the calculated royalty, he will be provided with the data that have been processed for the calculation of the royalty. If trade secret or a confidential part in the contract is an essential part of the control, then access to this data shall be subject of confirmation of confidentiality on the rightsholder side. The rightsholder that refuses to take the obligation of confidentiality shall be provided with the possibility of checking the data through the selected member of the SOZA Supervisory Board.
2. If the rightsholder finds that there are inaccuracies in the calculation of the royalty or in the input data, he has the right to claim the inaccuracies.
3. The details of the procedure and the way in which the claims are handled are governed by the Complaints procedure of SOZA, which is accessible to any rightsholders on the SOZA website.
4. In the case of claims by rightsholders for the payment of royalties for their identified musical works from the list of unidentified royalties annually published by SOZA, the individual complaint regime under Complaints procedure of SOZA does not apply, in this case the Additional distribution regime under Distribution rules shall apply.

Article 6 Special provisions on Publishers

1. The publishers shall be adequately covered by this Distribution rules with the specificities referred to in this article of Distribution rules.
2. Publisher is required to submit SOZA all contracts and agreements that can cover publishing distributions (in particular sub-publishing contracts or contracts for obtaining publishing rights from or to abroad etc.). In the case of foreign contracts concluded under the law of a state other than the Slovak Republic and/or in a non-Slovak language SOZA may require the submission of a completed and signed form containing data for distribution of publisher shares or to provide publishing data in a mutually agreed form of electronic data interchange (in particular CWR).
3. Distribution is done only according to duly reported and registered publishing and sub-publishing contracts.
4. Subject to registration are also publishing contracts that assigned publishing rights to abroad or from abroad.
5. SOZA registers also publishing contracts of a represented publisher who concludes agreements with unrepresented authors.
6. Publisher is solely responsible for the accuracy and quality of data that he provides. SOZA assumes no responsibility or does not warrant for any damages that would occur based on incorrect or incomplete data.
7. If rightsholder delivers to SOZA multiple publishing contracts on the same work and for the same territory SOZA registers only the first delivered contract for the period of its effectiveness. In the resulting disputes SOZA does not take any responsibility for the consequences of this action and the damages shall be borne solely by the rightsholder.
8. Incomplete, unreadable, damaged or otherwise devalued publishing contracts cannot be registered. SOZA returns these to the rightsholder, who delivered them to SOZA and will taken into account for distribution only after the shortcomings are removed.
9. In the case that author concludes a publishing contract with a publisher unrepresented by SOZA, SOZA will regard these musical works in the case of distribution as still unpublished. Author is responsible for settlement of the rights against unrepresented publisher.
10. Publisher that concluded publishing contract on musical works unrepresented by SOZA is required to ensure filling of the declarations for these musical works and their delivery to SOZA. The publisher is responsible for the accuracy of these data.
11. The rightsholder and the publisher may agree on a publishing share in any amount. If the sum of all the publishing shares for the use of musical works exceeds the limit of 50%, SOZA shall charge this publishing share up to a maximum of 50%.
12. If the contract does not state the amount of the publishing share, the basic distribution key SOZA will be used, which forms Annex 2 of these Distribution rules.
13. If publisher of musical works with lyrics concludes publishing contract with the rightsholder only for one part of the work (musical or lyrical) (for example, only with the composer or only with the lyricist), the share can be only applied to this part.

14. In the case of a concluded sub-publisher contract to abroad, the sum of the agreed shares of the publisher and the subpublisher may be increased to a maximum of 50%, provided that the original publishing contract accepts such a procedure.

Article 7

Special provisions on contractually unrepresented rightsholders

1. SOZA is in accordance with the Copyright Act and the authorization of the Ministry of Culture (published on SOZA website) entitled to carry out, in addition to voluntary collective rights management also mandatory collective rights management.
2. In addition to the author's royalty collected by SOZA in the field of mandatory collective rights management, SOZA collects for contractually unrepresented rightsholders also copyright royalties on the basis of extended volume licensing agreements concluded under the provisions of § 79 and § 80 of the Copyright Act.
3. Contractually unrepresented rightsholders shall be adequately covered by these Distribution rules with the specificities referred to in this article of Distribution rules.
4. A contractually unrepresented Rightsholder must ask SOZA to pay the royalty by submitting a duly completed application of the unrepresented rightsholder, which is published on the SOZA website (hereinafter referred to as "the Application").
5. A contractually unrepresented rightsholder may request SOZA to pay royalties for a period of not more than three years preceding the filing of the application to SOZA.
6. Royalties of a contractually unrepresented rightsholder who has delivered to SOZA application until March 31st of that calendar year shall normally be distributed by the end of June, but not later than the end of September of this calendar year. Royalty of a contractually unrepresented rightsholder that has delivered the application to SOZA after March 31st of that calendar year shall be distributed by the end of September of the following calendar year.
7. If the application is delivered in accordance with points 4. to 6. of this article, SOZA shall pay the contractually unrepresented rightsholder royalties only for a period of no more than three years preceding the application to SOZA by the end of the calendar year preceded by the calendar year in which the application was delivered to SOZA.
8. In some cases, SOZA will not distribute royalties to a contractually unrepresented rightsholder. This includes, for example, the royalties for the production and reproduction of sound and audiovisual carriers, the public performance of musical works by live and/or technical means, as well as radio and television broadcasts that are not licensed under the extended volume licensing agreement because in these cases SOZA does not collect royalties for the contractually unrepresented rightsholder.
9. If a contractually unrepresented rightsholder does not want SOZA to on his behalf grant consent to the use of his musical works through an extended volume licensing agreement under the provisions of § 79 and § 80 of the Copyright Act, he must exclude the collective management of the rights of musical works through the extended volume licensing agreement by a written notice addressed to SOZA.

Article 8

Exclusion of Collective Rights Management

1. The represented rightsholder is entitled to exclude collective rights management only in the field of collective rights management in which they were to be represented by SOZA under the representation agreement.
2. The represented rightsholder is obliged to inform SOZA in writing of the exclusion of collective rights management within a period of at least one month before the conclusion of the contract with the user, which grants consent to the use of his musical works, otherwise the exclusion of collective rights management is not effective and the rightsholder is still represented in the originally agreed scope.
3. The represented rightsholder in a written notice informs SOZA of the exclusion of the collective management of his property rights and shall determine the fields in which he excludes collective rights management.
4. A written notice shall be understood as a notice with an authenticated signature of the rightsholder, which must be delivered to SOZA personally or by standard post service. The written form is preserved if the notice is sent by e-mail from the e-mail address given by the rightsholder in the representation agreement, accompanied by an authenticated signature of the scanned document.
5. SOZA re-assumes representation in the field of collective rights management where the rightsholder has excluded the collective rights management, upon written request, after the period of 6 months passed from the receipt of the notice of exclusion.
6. If the rightsholder excludes collective rights management in a field of collective rights management, SOZA will not distribute royalties in that field or the relevant share of the un-addressable royalty.
7. The exclusion of collective rights management in a particular field of collective rights management has the effect that a previously contractually represented rightsholder in this field of collective rights management has become an unrepresented rightsholder. If this unrepresented rightsholder is not interested in SOZA granting consents on his behalf to the use of his musical works through an extended volume licensing agreement under the provisions of § 79 and § 80 of the Copyright Act, he must also exclude the collective management of the rights of musical works through the expanded volume licensing agreement by a written notice addressed to SOZA.

Article 9

Common, transitional and final provisions

1. The SOZA Supervisory Board shall have the right to decide on any disputed situation relating to the Distribution rules by its interpretation.
2. Distribution rules shall enter into force and will be in effect from December 11th 2024 for the royalties distributed after January 1st 2025.

3. Point 11. of Article 6 of these Distribution rules is effective for publishing contracts concluded after January 1st 2016.

Annex 1 Point Table of musical works

V - Classical music

Category	Description	Radio/TV for 1 min.	Public performance up to 5 min. & for every additional 5 minutes
V-1	Simple composition, including the arrangement or adaptation of an existing work.	2	10
V-2	Composition for one solo voice or instrument	4	20
V-3	Composition for one or more solo voices or instruments. Solo vocal composition with and instrument. Instrumental Duet. I Composition for A Cappella/Choir for up to 3 voices.	10	50
V-4	Instrumental or vocal-instrumental composition for 3 voices. Composition for A Cappella/Choir for 4 to 6 voices	18	90
V-5	Instrumental composition for 4 to 6 voices (including combinations for instruments variations with polyphonic instruments, e.g. piano, harp, etc.) Vocal Chamber composition / A Cappella 4 to 6 voices	30	150
V-6	Composition for String Orchestra for to10 movements Vocal Chamber composition / A Cappella for 6 plus voices vocal-instrumental composition up to 6 voices	36	180
V-7	Instrumental or vocal-instrumental chamber composition for 6 and more voices Composition for solo instrument and orchestra	40	200
V-8	Composition for orchestra Orchestral composition with solo part (parts)	48	240
V-9	Vocal symphonic composition (oratorio, cantata, part of an opera, etc.)	52	260
V-10	Composition not meeting criteria for allocation to categories V1 to V9	Individual allocation by the Classification Committee into one to the existing categories specified in this table	

P - Popular music

Category	Description	Radio/TV for 1 min.	Public performance up to 5 min. & for every additional 5 minutes
P-1	Simple composition, including the arrangement or adaptation of an existing work.	2	10
P-2	Acoustic or Dance Music Instrumental composition for a small cast	4	20th
P-3	Song with lyrics	6	30
P-4	Instrumental or vocal-instrumental composition for a large cast	8	40
P-5	Instrumental Jazz or vocal composition for a small ensemble	10	50
P-6	Composition not meeting criteria for allocation to categories P1to P5	Individual allocation by the Classification Committee into one to the existing categories specified in this table	

L – Folk music

Category	Description	Radio/TV for 1 min.	Public performance up to 5 min. & for every additional 5 minutes
L-1	Simple composition, including the arrangement or adaptation of an existing work.	2	10
L-2	Folk music arrangement, involving changes to the structural elements of the original work.	4	20th
L-3	More demanding arrangement of a folk music piece, adding thematic material for instruments and/or vocal elements	6	30
L-4	Stylised folk music with compositional development of instrumental and vocal parts	8	40
L-5	Original composition working with a folk material, orchestral composition for solo, instrumental and vocal ensembles.	10	50
L-6	Composition not meeting criteria for allocation to categories L1 to L5.	Individual allocation by the Classification Committee into one to the existing categories specified in this table	

H - Brass ensemble music

Category	Description	Radio/TV for 1 min.	Public performance up to 5 min. & for every additional 5 minutes
H-1	Simple composition, including the arrangement or adaptation of an existing work.	2	10
H-2	Folk music arrangement for a brass band ensemble	4	20th
H-3	Small musical composition (polka, waltz, march, etc.) for a brass band ensemble and brass band folk music adaptations.	6	30
H-4	Small musical composition (polka, waltz, march, etc.) and large brass ensemble folk music adaptations.	8	40
H-5	Large brass ensemble composition (overture, rhapsody, concert movement, etc.).	10	50
H-6	Composition not meeting criteria for allocation to categories H1 to H5	Individual allocation by the Classification Committee into one to the existing categories specified in this table	

X - Experimental music

Category	Description	Radio/TV for 1 min.	Public performance up to 5 min. & for every additional 5 minutes
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X	Electroacoustic, alternative, conceptual, multi-genre music, etc.	Individual allocation by the Classification Committee into one to the existing categories specified in this table
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U - Music of special features

Category	Description	Radio/TV for 1 min.	Public performance up to 5 min. & for every additional 5 minutes
U-2	Opening and Closing Songs	2	2
U-3	Signals	0.3	0.3
U-4	Jingles	0.05	0.05
U-5	Loops	0.01	0.01
U-6	Advertisement and Trailer Music	2	2
U-8	Background Music	0.3	0.3

Annex 2 - Basic distribution key of SOZA

Performing rights

I. Protected works - unpublished

Musical work	C	Sc	Ar	A	Tr	Sa
Work without lyrics	100					
Work without lyrics, musical arrangement	66.67	33.33				
Work without lyrics, musical sub-arrangement	75		25			
Work with lyrics	66.67			33.33		
Work with lyrics, musical arrangement	44.45	22.22		33.33		
Work with lyrics, musical sub-arrangement	50		16.67	33.33		
Work with lyrics, written word translated	66.67			16.67	16.67	
Work with lyrics, lyrics adapted	66.67			16.67		16.67

II. Protected works-published

Musical work	C	Sc	Ar	A	Tr	Sa	E
Work without lyrics	75						25
Work without lyrics, musical arrangement	50	25					25
Work without lyrics, musical sub-arrangement	56.25		18.75				25
Work with lyrics	50			25			25
Work with lyrics, musical arrangement	33.33	16.67		25			25
Work with lyrics, musical sub-arrangement	37.5		12.5	25			25
Work with lyrics, lyrics translated	50			12.5	12.5		25
Work with lyrics, lyrics adapted	50			12.5		12.5	25

III. Public domain works - unpublished

Musical work	Sc	Ar	A	Tr	Sa
Work without lyrics, musical arrangement	50				
Work without lyrics, musical sub-arrangement		33.33			
Original work without lyrics, new lyrics			33.33		
Work with public domain lyrics, musical arrangement	33.33				
Work with public domain lyrics, musical sub-arrangement		22.22			
Work with lyrics, public domain music, public domain lyrics translated				16.66	
Work with lyrics, public domain music, copyrighted lyrics translated			16.67	16.67	
Work with lyrics, public domain music, public domain lyrics adapted					16.66
Work with lyrics, public domain music, copyrighted lyrics adapted			16.67		16.66

IV. Public domain works - published

Musical work	Sc	Ar	A	Tr	Sa	E
Work without lyrics, musical arrangement	37.5					12.5
Work without lyrics, musical sub-arrangement		25				8.33
Original work without lyrics, new lyrics			25			8.33
Work with public domain lyrics, musical arrangement	25					8.33

Work with public domain lyrics, musical sub-arrangement		16.66				5.6
Work with lyrics, public domain music, public domain lyrics translated				12.49		4.17
Work with lyrics, public domain music, copyrighted lyrics translated			12.5		12.5	8.33
Work with lyrics, public domain music, public domain lyrics adapted					12.49	4.17
Work with lyrics, public domain music, copyrighted lyrics adapted			12.5		12.5	8.33

Mechanical rights

I. Protected works - unpublished

Musical work	C	Sc	Ar	A	Tr	Sa
Work without lyrics	100					
Work without lyrics, musical arrangement	66.67	33.33				
Work without lyrics, musical sub-arrangement	75		25			
Work with lyrics	66.67			33.33		
Work with lyrics, musical arrangement	44.45	22.22		33.33		
Work with lyrics, musical sub-arrangement	50		16.67	33.33		
Work with lyrics, written word translated	66.67			16.67	16.67	
Work with lyrics, lyrics adapted	66.67			16.67		16.67

II. Protected works – published

Musical work	C	Sc	Ar	A	Tr	Sa	E
Work without lyrics	75						25
Work without lyrics, musical arrangement	50	25					25
Work without lyrics, musical sub-arrangement	56.25		18.75				25
Work with lyrics	50			25			25
Work with lyrics, musical arrangement	33.33	16.67		25			25
Work with lyrics, musical sub-arrangement	37.5		12.5	25			25
Work with lyrics, lyrics translated	50			12.5	12.5		25
Work with lyrics, lyrics adapted	50			12.5		12.5	25

III. Public domain works – unpublished

Musical work	Sc	Ar	A	Tr	Sa
Work without lyrics, musical arrangement	100				
Work without lyrics, musical sub-arrangement		66.67			
Original work without lyrics, new lyrics			33.33		
Work with public domain lyrics, musical arrangement	66.67				
Work with public domain lyrics, musical sub-arrangement		44.45			
Work with lyrics, public domain music, public domain lyrics translated				33.33	
Work with lyrics, public domain music, copyrighted lyrics translated			16.67	16.67	
Work with lyrics, public domain music, public domain lyrics adapted					33.33
Work with lyrics, public domain music, copyrighted lyrics adapted			16.67		16.66

IV. Public domain works – published

Musical work	Sc	Ar	A	Tr	Sa	E
Work without lyrics, musical arrangement	75					25
Work without lyrics, musical sub-arrangement		49.5				16.5
Original work without lyrics, new lyrics			25.5			8.5
Work with public domain lyrics, musical arrangement	49.5					16.5
Work with public domain lyrics, musical sub-arrangement		33				11
Work with lyrics, public domain music, public domain lyrics translated				25.5		8.5
Work with lyrics, public domain music, copyrighted lyrics translated			12.75	12.75		8.5
Work with lyrics, public domain music, public domain lyrics adapted					25.5	8.5
Work with lyrics, public domain music, copyrighted lyrics adapted			12.75		12.75	8.5