

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

on the remunerations payable by organisations other than the original transmitting (radio or television) broadcasting organisations, communicating encoded radio and television programmes to the public after decoding or transcoding or through direct injection, and on other terms of approval of use (Cable-II-25)

Based on the provisions of Sections 16(1), 26(3)-(4) and (5a), and Section 27 of Act LXXVI of 1999 on Copyright (hereinafter: the Copyright Act) and Sections 146(1) and 59(1) of Act XCIII of 2016 on the Collective Management of Copyrights and Rights Related to Copyrights (hereinafter: Collective Rights Management Act), for the benefit of authors, composers and lyricists, ARTISJUS hereby determines the terms of licensing the transmission of works already published (excluding the use of literary works for stage, musical dramas or their scenes or sections, technical works and longer works of literature not written for stage, e.g. novels) to the public in radio or television programmes, received by the party transmitting them to the public in a coded form, after decoding or transcoding, by any means, in particular by cable, satellite or IP platform; as well as the remunerations payable for the same:

Chapter I

Remunerations payable by organisations carrying out the transmission of broadcast radio and television programmes to the public

The remunerations to be paid for the communication to the public of radio or television programmes received by the party making communication to the public in a coded form, after decoding or transcoding, as well as radio and television programmes received by the party communicating them to the public through direct injection, by any means, including in particular cable, satellite or an IP platform, in accordance with Section 26(3), (4) and (5a) of the Copyright Act.

1. In consideration for works in the programmes of radio or television broadcasting organisations, as well as organisations which primarily broadcast or communicate to the public their own programmes in a coded manner, by way of cable or otherwise, after decoding or transcoding, or communicated through direct injection, using any means, including in particular cable, satellite or an IP platform, to organisations other than (radio or television broadcasting) organisations retransmitting to the original public (so-called cable operators or broadcasters) as users, regardless of their organisational forms, for the individual connected households, literary and musical works already published, used in radio and television programmes

a) up to 5000 households connected:

per television programme	HUF 0.89/month/household connected
per radio programme	HUF 0.36/month/household connected

b) in case of more than 5000 households connected:

per television programme	HUF 2.24/month/household connected
per radio programme	HUF 0.89/month/household connected

but, in case of both points a) and b) above, at least HUF 5.04/month per household connected shall be paid as remuneration.

c) If, for any reason, the number of connected households cannot be established, the remuneration payable for the corresponding period under Section 1.a) and/or Section 1.b) above shall be calculated based on other data concerning the number of the viewers (subscribers) reachable by transmission to the public.

d) The remuneration payment under paragraph a) may be applied if the user reaches a maximum of 5,000 connected households for each radio or television programme transmitted by it to the public in the month to which the remuneration payment relates.

2. If a user provides, either by itself or via a contributor, a complex digital audiovisual media service [e.g. video service provided to the connected household (subscriber) on the basis of demand or close to demand from a repertoire or timeshift service], in the course of which it also engages in use that is subject to a different tariff announcement, the remuneration payable for licensing the use made by the partial service stipulated in the introductory part of this Section 1 within the complex service and for the settlement of remuneration claims, shall be the remuneration set out in paragraph a) or b).

3. For uses realised in the framework of complex digital audiovisual media service that are subject to different tariff announcements, a separate licence in accordance with the applicable tariff announcement shall be applied for, and a separate remuneration shall be paid for such licence.

Chapter II

General terms and conditions of the Tariff Announcement

1.1.1 For the purposes of this Tariff Announcement, user shall mean a person or organisation that communicates to the public

- works broadcast in a coded manner by radio or television broadcasting organisations and/or in the programmes of organisations which communicate their own programmes by way of cable or otherwise to the public, and/or works communicated to the public, after decoding or transcoding (Section 26(3)-(4) of the Copyright Act); and

- works made available by direct injection (Section 26(5a) of the Copyright Act),

by any means, including in particular by way of cable, satellite or an IP platform, other than the original broadcasting (radio or television broadcasting) organisation (e.g. cable operators and/or program distributing organisations).

1.1.2 In the case of a direct injection within the meaning of Section 26(5a) of the Copyright Act, an organisation reaching the public may only be a user within the meaning of this Tariff Announcement if its activity goes beyond providing the technical means of use.

1.2 For the purposes of this Tariff Announcement, radio and/or television broadcasting organisations shall mean organisations

- which communicate their own programmes to the public by means of terrestrial or satellite broadcasting, by cable or in any other manner, or

- which fix, originate their own programmes, and make the program- carrying signal available to the user (organisation reaching the public) within the meaning of Section 1.1, through direct injection, irrespective of the method of transmission or communication.

1.3 The user, and the radio or television broadcasting organisation are liable for their own use and must obtain the relevant licence to use. In the event of joint use by the user and the radio or television broadcasting organisation, and/or joint and several liability for use (Section 26(3) of the Copyright Act), they shall obtain the licence by applying the rules of this Tariff Announcement together with those in the “RTV” tariff announcement of ARTISJUS.

2.1 On the basis of this Tariff Announcement, the granting of the licence for use is subject to the payment of the remuneration. The user shall obtain the licence once it pays the remuneration. For the remuneration or an instalment paid prior to the start of use, the user will be granted a licence for use proportionate to the remuneration already paid (instalment).

2.2 By paying the remuneration, the user obtains a licence for its own use (part of use), and such licence, in proportion to the remuneration paid, shall not apply to use by the radio or television broadcasting organisation. ARTISJUS will grant a licence to the radio or television broadcasting organisation for their use (part of use) subject to the remuneration calculated based on their revenue related to the broadcasting activity, in accordance with its “RTV” Tariff Announcement, and, in the course of that, provided that the user obtains the licence to use under this Tariff Announcement, the revenue related to the broadcasting activity generated in connection with the use shall not be considered revenue subject to remuneration.

2.3 The time of payment of the remuneration or the remuneration instalment shall be the time when the remuneration has already been received to the account of ARTISJUS, and both the user paying the remuneration and the use for which the user wishes to receive the licence is identifiable by ARTISJUS.

2.4 ARTISJUS is entitled to set off any overpayment of remuneration by the user against the user's overdue unsettled remuneration payments.

3. The due date of data reporting (accounting) and remuneration payment, default interest, limitation

3.1 The data reporting as per Section 4, including the data necessary for the calculation of the remuneration, must be submitted every calendar quarter, by the 15th day of the first month following the relevant quarter and the remuneration is due by the last day of the first month following the relevant quarter (due date). ARTISJUS pays the remuneration based on the accounting and data provided for the quarter of use performed by the user, in accordance with this Tariff Announcement and the provisions of the licence agreement. If the user fails to perform the accounting within the deadline, ARTISJUS may determine the remuneration to be paid based on the data available to it.

3.2 If the user falls into delay with the remuneration payment, the statutory default interest set out in the Hungarian Civil Code is calculated from the day after the due date of the remuneration set out in Section 3.1. If the user concluded a licence agreement with ARTISJUS and the user falls into delay with the remuneration payment, the service provider must also pay a flat-rate reimbursement for debt collection costs.

3.3 Remuneration claims expire after the lapse of five years from their due date. In relation to any obligation set out in this Tariff Announcement, the limitation period shall be interrupted by a notice sent to the user regarding the remuneration, a notice instructing the user to pay the remuneration or a notice instructing the user to disclose data required for calculating the remuneration, as well as any notice sent by the payer of the remuneration to ARTISJUS. The limitation period is suspended until ARTISJUS becomes aware of the use.

4. Data reporting for the calculation and distribution of remunerations

4.1 The user shall provide data about the programme sequences actually retransmitted [Section 59(1) of the Collective Rights Management Act].

4.2 The data reporting takes place via the form designated for this purpose by ARTISJUS or another format set out in the contract concluded between the parties (but in any case by electronic means). Among the data provided, the user must indicate the designation of the television and radio programmes rebroadcast or broadcast to the public by it, the calendar period of the broadcasting and the number of connected households reached by the television and radio programmes in this period. Among the data provided, the user must provide the data specified in the previous sentence for each television and radio programme, in the broadcasting to the public or rebroadcasting of which it was involved in any manner.

4.3 In the event of late compliance with the data reporting obligation, the user shall pay a late payment penalty for the period of this delay. The daily rate of the penalty for the delay is 0.5% of the remuneration payable by the user for the given quarter, but at least HUF 588 for one day. The penalty shall not exceed 30% of the remuneration payable by the user.

4.4. If the user fails to perform the data reporting obligation, or if performance of this obligation is defective, the user shall pay a penalty for defective performance, the amount of which shall be the same as the amount of the late payment penalty determined in Section 4.4 above.

5. ARTISJUS may check the data provided for the purposes of remuneration calculation, as well as the manner and extent of the use of works. If, in the course of an audit under this Section, ARTISJUS ascertains that a calculation was incorrect and that the difference between the reported information and the information verified by the audit of ARTISJUS and used for the calculation of remunerations is greater than 5% in favour of the service provider, the service provider shall pay a penalty for defective performance. The amount of this penalty shall be 20% of the difference of the remuneration payable by the user.

6. In the first calendar year of their operation, the remunerations of the organisations determined in this Tariff Announcement which are commencing their activities can only be reduced by the amount of their budgetary subsidies for investment purposes (and not those intended to cover their continuous operating costs) and other investment costs and/or acquisition costs of tangible assets certified by appropriate accounting documents. The reduction shall not exceed 50% of the remuneration payable. No other remuneration rebate can be granted together with this one.

7.1 Instead of the itemised remunerations as determined in the relevant provisions of the Tariff Announcement, ARTISJUS may conclude a licence agreement containing a flat-rate or discounted remuneration, with users or with

the national organisations adequately representing a substantial part of the affected users, acting on behalf of the users. In the licence agreement containing a flat-rate or reduced remuneration, ARTISJUS and the user and/or their interest organisations may agree on provisions specifying a different due date for data reporting and remuneration payment.

7.2 When concluding the agreements under this Section, no discrimination between the users concerned may occur in violation of the requirement of equal treatment; i.e., the same discount must be offered if the circumstances are the same.

7.3 Flat-rate licence agreements or licence agreements with a discounted remuneration may only be concluded if

a) the affected user does not have any remuneration debt and has fulfilled its data provision obligation regarding the use (Section 4) in accordance with Section 59(1) of the Collective Rights Management Act;

b) it is possible and reasonable to conclude a licence agreement under this Section because of the circumstances of use, a significant departure from the typical composition of the works as regulated by this Tariff Announcement, or the significant extent of the use and as a result of the remuneration to be paid by the user, or a commitment by the user to provide data in a uniform format and with uniform content in order for facilitating the easier processing of data with regard to the data provision required for calculation of the remuneration or distribution of the remuneration (Section 4), or the voluntary membership of a significant part of the users in the same organisation representing the users' rights, and the authorisation in compliance with the law and the statutes of such organisation to conclude a licence agreement.

7.4 A licence agreement may only be concluded with national interest representation organisations in accordance with this Section if the organisation provides appropriate guarantees for the remuneration payment obligations of its members (i.e. the users concerned) and/or assists in ensuring that the users concerned comply with their obligations under this Tariff Announcement, or supports the enforcement activities of ARTISJUS, and/or if the organisation collects the data required for the calculation and distribution (Section 4) of the remuneration payable by the users concerned, and forwards such data to ARTISJUS, makes the verification of the manner and extent of the use of the works possible in a method beyond the verifications provided for in Chapter II, Section 5 and/or if the organisation assumes the remuneration payment obligation in whole or in part.

7.5 Subject to the conditions set out in Sections 7.1 to 7.4, and in particular Section 7.2, instead of the itemised remunerations as determined in the relevant provisions of the Tariff Announcement, ARTISJUS may conclude a licence agreement with users or with the national organisations adequately representing a substantial part of the users concerned, acting on behalf of the users, under which the user is liable to pay a remuneration expressed as a percentage of the revenues from broadcasting activities. ARTISJUS shall conclude a licence agreement providing for such remuneration payment subject to the following conditions:

- in addition to the data reporting pursuant to Section 4, the user shall, at the frequency and within the time limits specified for such data reporting and subject to the detailed conditions set out in the licence agreement, provide data on the revenues from broadcasting activities, net of VAT;

- in the data reporting, the user shall also report the revenues generated by its affiliated undertakings in connection with its broadcasting activities;

- the user shall report separately to ARTISJUS any revenues which are not generated in connection with broadcasting, and shall provide ARTISJUS with credible proof of the source of the revenues and the reason for the separation, in accordance with the user's accounting records and the underlying documents;

- in addition to the data reporting pursuant to Section 4, the user shall, at the frequency and within the time limits specified for such data reporting and subject to the detailed conditions set out in the licence agreement, provide data on all additional services in the scope of broadcasting activities in which the licensing of works is subject to this Tariff Announcement;

- ARTISJUS shall share the user's revenues from broadcasting activities, with respect to the activity covered by this Tariff Announcement and the Cable I Tariff Announcement, on the basis of the data provided by the user, in proportion to the radio and television programmes transmitted or retransmitted to the public, as detailed in the licence agreement;

- the user shall pay the remuneration, net of VAT, on the basis of the revenues generated from broadcasting activities, separated in accordance with the preceding paragraph and established for the use covered by this Tariff Announcement, at the percentage rate specified in the licence agreement, in the manner and by the due date specified in Section 3 or in the licence agreement, where the remuneration payable by the user shall not be less than the remuneration determined in accordance with Chapter I of this Tariff Announcement (if there is an applicable remuneration rebate, then at the rate thereof) less 10%;

- the user undertakes to allow ARTISJUS to verify its reported revenue data on site or by an expert appointed by ARTISJUS, and to allow verification on the premises of its affiliates or related parties;

- the user agrees that if it does not comply, does not timely comply or does not properly comply with the conditions for payment of the remuneration set as a percentage of the revenue for any period, it will pay ARTISJUS the remuneration set out in Chapter I of this Tariff Announcement (if there is an applicable remuneration rebate, then at the rate thereof).

8. If uses are not identified in this Tariff Announcement or if the amount of remuneration cannot be calculated on the basis of the provisions of this Tariff Announcement applicable to the specific categories of use because of the business model which the user applies towards members of the public, the remuneration shall be set by ARTISJUS on a case-by-case basis in accordance with the principles and proportions of the published remuneration rates.

9. When setting the remunerations, due consideration has been given to the fact that in the course of the uses specified in this Tariff Announcement, both protected and non-protected works have been used.

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

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

Chapter III

Effective period of the Tariff Announcement

This Tariff Announcement shall be in force from 1 January 2025 to 31 December 2025.

*Society ARTISJUS Hungarian Bureau for the Protection
of Author's Rights
(ARTISJUS Magyar Szerzői Jogvédő Iroda Egyesület)*

I hereby approve of the tariff schedule in accordance with Section 145(2) of the Collective Rights Management Act.

Budapest, “ ” 2024

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Minister of Justice