



LAW OF UKRAINE

On Efficient Management of Property Rights of Right holders in the Sphere of Copyright and/or Related Rights

This Law defines legal and organizational principles of collective management of property rights of copyright and/or related rights subjects in Ukraine.

Section I

GENERAL PROVISIONS

Article 1. Terms and Definitions

1. For the purpose of this Law the terms are used in the following meaning:

voluntary collective management means collective management performed by collective management organizations, registered in a manner prescribed by this Law, exclusively in regards to the copyright and (or) related rights objects included in the catalogue of the respective collective management organization;

partnership agreement means a written (electronic) agreement that is concluded between accredited collective management organization exercising mandatory collective management and other accredited collective management organization exercising extended collective management in the relevant sphere on the payment of a due rights revenue share for the respective category of the rightholders;

rights representation agreement means a written (electronic) agreement between collective management organizations, including with similar foreign organizations, under which one organization authorizes other organization to exercise the management of rights in corresponding objects of copyright and (or) related rights;

rights revenue means funds received by a collective management organization from users or other collective management organizations in a form of remuneration for the use of objects of copyright and (or) related rights or deductions in benefit of the rightholders;

electronic system of administration means an information and telecommunication system that connects a collective management organization with the rightholders and users through the Internet network and ensures an automation of record-keeping of objects of property rights (including their declaration by the rightholders), revenue accounting, distribution and payment of rights revenue by a collective management organization;

administration fee means funds deducted, credited or withheld by a collective management organization from the amount of rights revenue or any other revenue not forbidden by the law, in order to cover the activity-related expenses of a collective management organization provided by this Law;

catalogue of collective management organization means totality of copyright and (or) related rights objects, property rights of which are managed by an organization;

collective management means an activity on collection, distribution and payment of rights revenue to the rightholders performed in the interests of more than one rightholder on terms and in compliance with the principles foreseen by this Law;

user means any legal entity, natural person or private entrepreneur who takes any actions requiring the copyright and (or) related rights subjects' consent under the Law of Ukraine "On Copyright and Related Rights" or who shall otherwise pay remuneration or deductions to the rightholders;

unclaimed funds means a share of rights revenue that was not distributed and/or paid within the term prescribed by this Law due to the impossibility to identify the relevant copyright and (or) related rights objects and (or) a rightholder regarding such objects or due to objective inability to locate an identified rightholder and pay him the funds;

mandatory collective management means collective management of property rights of objects of copyright and (or) related rights, whether they are included or not in the catalogue of collective management organization exercised by organizations accredited by the Institution in the spheres specified by this Law;

collective management organization means a non-profit public association in a form of legal entity, registered with the Institution, founded solely by the rightholders and its activities are directed at collective management of the property rights in the copyright and (or) related rights objects;

rightholder means a copyright or related rights subject or any person other than a collective management organization which under an agreement with the subject of copyright and (or) related rights or under the law is entitled to receive a share of the rights revenue;

extended collective management means collective management of property rights in objects of copyright and (or) related rights, whether they are included or not in the catalogue of collective management organization (except for the cases when the corresponding rights were withdrawn by the rightholder from a collective management in the order prescribed by this Law) in the spheres determined by this Law, performed by organizations accredited by the Institution in the spheres determined by this Law;

Institution means a central executive body that facilitates development and implementation of the state policy in intellectual property sphere;

collective management organization member means a rightholder or association of the rightholders or other collective management organization compliant with the requirements of membership in collective management organization and acquired the status of a member of the collective management organization in accordance with the rules of the law and the statute of the collective management organization.

Other terms shall be used herein in the meaning defined by the Law of Ukraine “On Copyright and Related Rights”.

Article 2. Ukrainian Legislation on Collective Management of Property Rights of Copyright and (or) Related Rights Subjects

1. The legislation in the sphere of collective management of property rights of copyright and (or) related rights subjects consists of the Constitution of Ukraine, the Civil Code of Ukraine, this and other laws, the bylaws passed on their basis regulating the relations in this sphere.

Article 3. Application of the International Agreement Rules

1. Should any current international agreement ratified by the Verkhovna Rada of Ukraine establish any rules other than those contained in this law, the international agreement rules shall apply.

Article 4. Powers of the Institution

1. The Institution shall develop and implement the state policy in the sphere of protection of copyright and related rights through the state supervision of the operation of collective management organizations and performance of the following functions:

- 1) facilitation of registration and accreditation of collective management organization, the maintenance of Register of Collective Management Organizations;
- 2) securing compliance of collective management organizations with the requirements of this law;
- 3) application of sanctions to collective management organizations in a manner prescribed by this Law.
- 4) receipt from the state authorities of information, documents and materials necessary for performing collective management;
- 5) provision of methodical assistance to collective management organizations and specialized associations and associations of users;
- 6) analysis of compliance with the requirements of the legislation in the sphere of collective management and monitoring of the activities of accredited collective management organizations, upon the results of which the Institution publishes relevant information on its website;
- 7) facilitation of operation of electronic system of registration and accounting in the sphere of copyright and (or) related rights.

2. The Institution shall approve:

- 1) an application form on accreditation and registration of a collective management organization;
- 2) a form of annual report on activity of collective management organization;
- 3) an application form on introduction of modifications in the Register of Collective Management Organizations;
- 4) a form of broadcasting organizations' report on the use of copyright and (or) related rights objects.
- 5) an order of functioning of electronic system of registration and accounting in the sphere of copyright and (or) related rights and authorization of electronic platforms.

Section II

SPECIFIC FEATURES OF COLLECTIVE MANAGEMENT OF PROPRIETARY RIGHTS OF SUBJECTS OF COPYRIGHT AND (OR) RELATED RIGHTS

Article 5. Basic principles of collective management of proprietary rights of subjects of copyright and (or) related rights

1. Collective management of proprietary rights of subjects of copyright and (or) related rights is exercised by collective management organizations registered by the Institution in the order prescribed by this Law.

Collective management organization shall be a non-profit organization formed in the organizational and legal form of a public association (a non-governmental organization or public union) with the status of a legal entity sole type of activity of which is the fulfilment of the tasks and functions specified in Article 12 of this Law.

Only rightholders may be the founders of a collective management organization.

Founders and members of a collective management organization may be natural persons - citizens of Ukraine, foreigners or stateless persons, as well as legal entities under private law.

The collective management organizations may not have any restrictions or privileges depending on the type, citizenship, property status or professional membership of their founders or members.

2. Collective management organization operation principles shall be:

1) strict compliance with the interests of the rightholders - collective management organizations shall act in the best interests of the rightholders, effectively collect, distribute and pay rights revenue, shall not impose any obligations on the rightholders that are not objectively necessary for protection of their rights and interests and effective management of their property rights;

2) equality – there shall be no privileges for certain categories of rightholders depending on their type (legal entities or natural persons), collective management organization membership, participation or non-participation in the management of the organization, citizenship, residence, etc.;

3) transparency – collective management organizations shall facilitate a free access of the rightholders, users and the public to information on its activity defined by this Law;

4) accountability — collective management organizations shall report on their operation to the domestic and/or foreign rightholders in accordance with the procedure established by this Law;

5) efficient management — collective management organizations shall facilitate collection, distribution and payment of rights revenue to the rightholders as quickly, efficiently and accurately as possible and solely with reasonable expenses.

The expenses of collective management organization for the purchase of goods, works or services shall meet the criterion of management effectiveness, if carried out using the procedures stipulated by the Law of Ukraine "On Public Procurement".

3. The rightholders as subjects of copyright and (or) related rights shall have the right to entrust management of their proprietary rights to collective management organizations.

The rightholders shall have the right to freely choose a collective management organization to manage their property rights, as well as to freely choose which particular property rights and in which particular objects of copyright and (or) related rights to assign for management with due regard of the specific features envisaged by this Law.

Unless a collective management organization has objectively justified reasons to deny management, it shall be obliged to manage property rights of copyright and (or) related rights subjects provided they fall within scope of its activity.

4. Legal relations between collective management organizations and rightholders arise and are exercised on the basis of the agreements on property rights' management on a collective basis concluded in writing (electronic) form, indicating particular copyright and (or) related rights objects, the rights to which are transferred to management and their particular types of use or under the law.

5. The rightholders, including those who entered into the agreements on property rights' management on a collective basis with the relevant collective management organization, shall be entitled to grant permission for non-commercial use of their own copyright and (or) related rights objects at their discretion.

6. The rightholders shall have the right to withdraw their property rights from management of a collective management organization except for the cases foreseen by this Law.

7. Collective management of property rights for the objects of copyright and (or) related rights is exercised in a form of voluntary, extended and mandatory collective management.

8. Collective management organizations have the right to manage proprietary copyright and (or) related rights of foreign rightholders in the territory of Ukraine on general grounds specified in paragraph 4 Article 5 of this Law or on the basis of agreements with legal entities performing collective management of property rights of subjects of copyright and (or) related rights in other countries (hereinafter - similar foreign organizations), including rights representation agreements.

Collective management organizations may entrust, on the basis of agreements with similar foreign organizations, management of property rights of Ukrainian rightholders on collective basis abroad, including rights representation agreements.

Collective management organizations may unite on a contractual basis to carry out common tasks and conclude partnership agreements and rights representation agreements. Functions of extended and mandatory collective management cannot be transferred on the basis of partnership agreements or representation of rights agreements.

In the event that the functions of the accredited collective management organization include the conclusion of partnership agreements and (or) rights representation agreements, the relevant organization shall not have the right to refuse other collective management organizations, including similar foreign organizations, conclusion of the mentioned agreements.

In the process of collective management of property rights of subjects of copyright and (or) related rights, the discrimination of the rightholders, whose property rights are assigned to organizations on the basis of rights representation agreements, is unacceptable, in particular in regards to the tariffs setting, administration fee, conditions of collections, distribution and payment of rights revenue.

The content of the agreements that are concluded by a collective management organization with other collective management organizations, including similar foreign organizations, shall not contravene the requirements set by the laws of Ukraine on the protection of economic competition.

9. Collective management organizations exercise powers in regards to collective management of proprietary rights of subjects of copyright and (or) related rights in its own name in the interests of rightholders.

10. Collective management organizations shall not have the right to:

1) use in any way copyright and (or) related rights objects, property rights of which are transferred to them for management on a collective basis;

2) entrust the exercise of mandatory or extended collective management to other collective management organizations or third parties in the territory of Ukraine;

3) be a founder or participant of commercial entities.

11. Collective management organization shall notify a rightholder on the membership conditions of collective management organization and administration fee deductions before the beginning of cooperation therewith, excluding the cases of exercising collective management in the spheres defined by paragraphs five and six of Article 12 of this Law.

12. Collective management organization shall not have the right to unjustifiably withhold recognition of the rightholders as members of collective management organization.

13. Collective management organization shall continuously provide the rightholders and users with a possibility to address it by the telecommunication means (telephone, e-mail, authorized electronic platforms, other means of communication), including during the exercise of their rights by them.

Article 6. Statute of collective management organization and conditions of membership in collective management organization

1. Collective management organization acts on the basis of its statute approved in accordance with the established procedure and with due regard of the provisions of this Law.

2. The statute of collective management organization shall establish proper and efficient mechanisms for the participation of members of collective management organization in its decision-making procedures. Different collective management organization member categories shall have a fair and balanced representation in such decision-making procedures of collective management organization.

3. The statute of collective management shall define:

- 1) the objective of the organization's activity - management on a collective basis of proprietary rights in objects of copyright and (or) related rights, without gaining profit;
- 2) categories of rightolders, in whose interests the organization operates;
- 3) conditions of membership in organization;
- 4) powers, procedure and periodicity of a general assembly;
- 5) founding procedure and powers of the organization's executive and supervisory bodies;
- 6) provisions on the prevention of conflicts of interests of members of the organization's executive and supervisory bodies;
- 7) reporting procedures of the organization's executive and supervisory bodies;
- 8) procedure of appealing the decisions of the organization's executive and supervisory bodies.

Statute of collective management organization may also define procedure and conditions of remote decision-making by members of organization's supervisory body, conditions of restriction of voting rights of a member of the organization at a general assembly, in accordance with paragraph five Article 7 of this Law and other provisions that are not contradictory to the legislation.

4. The conditions of membership in collective management organization shall be published on the organization's website.

The organization shall apply the conditions of membership objectively, transparently and without discrimination. Membership conditions shall include appropriate and effective mechanisms of the participation of members in a decision-making process of the organization.

In case of refusal in affiliation, the organization shall provide a written justification of the refusal.

The organization maintains a register of its members and keeps it up-to-date.

Article 7. General assembly of collective management organization

1. General assembly of members of collective management organization (hereinafter - General assembly) is the supreme collegial management body of a collective management organization, whose competence shall include resolution of any issues of organization's activity.

2. General assembly shall be held at least once a year in the territory of Ukraine.

The date and the agenda of the ordinary general assembly are determined by the supervisory or executive body of the collective management organization.

Extraordinary general assembly of collective management organization is convened by executive or supervisory body of the organization or at the written request of not less than twenty percent of the overall number of members of organization.

The executive body of collective management organization shall publish information on the date, time, place and the agenda and the list of questions submitted for voting on the organization's website no later than twenty working days before the date of the general assembly.

Collective management organization shall publish the documents and draft documents necessary for decision-making on the questions of the agenda on its own website.

3. The general assembly shall be deemed to be competent if at least 50 percent of the overall number of members of organization who has the right to vote participates in it.

The general assembly shall be deemed to be the one that has not taken place if less than 50 percent of the overall number of members of organization with the right to vote participates in it. In

this case, the head of the supervisory or executive body shall re-convene a general assembly with the same agenda.

Such re-convened general assembly shall be scheduled not earlier than in 14 days and not later than 30 days after the general assembly that did not take place.

Re-convened general assembly shall be deemed to be competent if not less than 25 percent of the overall number of organization members who have the right to vote, participates in it, unless otherwise provided by the statute of collective management organization.

4. The exclusive competence of the general assembly shall include:

- 1) approval of the statute and changes to the statute;
- 2) setting the conditions of membership in organization;
- 3) approval of draft tariffs for conclusion of agreements with users;
- 4) approval of general rules of distribution of rights revenue;
- 5) approval of general rules of deduction of administration fee, deductions for cultural, social and (or) educational purposes, as well as determining organization's cost estimates;
- 6) approval of general rules for the use of unclaimed funds;
- 7) appointment and dismissal of the auditor for auditing;
- 8) approval of annual report on the activities of collective management organization;
- 9) election and recall of the members of organization's supervisory and executive bodies, including a director of organization, setting the conditions of their material remuneration;
- 10) hearing and approval of the reports of the organization's supervisory and executive bodies;
- 11) decision making on termination, liquidation and reorganization of the organization.

Resolution of other issues of collective management organization activity may be delegated to supervisory or executive body of collective management organization.

5. All members of collective management organization shall have the right to participate in the general assembly and exercise their voting rights. In their statutes collective management organizations may establish restrictions on collective management organization member's participation and voting right based on one or both following criteria:

- 1) duration of the membership in collective management organization;
- 2) amount of the remuneration paid or due to the member of collective management organization in the previous reporting period.

These criteria shall be applied in a fair and reasonable way.

6. Each collective management organization member may appoint a representative and delegate their voting right thereto. A collective management organization member may represent another member of this organization at the general assembly, only if both of them are the rightholders of the same category of property rights. During the general assembly, for which the representative was delegated powers, the representative acquires all rights of a collective management organization member that delegated such powers and shall act in such member's interests. The powers delegated to the representative shall be defined separately for each general assembly.

7. The general assembly of members of accredited collective management organization shall be open. Any rightholder, regardless of whether he is a member or were the royalties collected in his favour by this collective management organization, may attend such meeting without the right to vote.

8. The statute may stipulate an option of participation in general assembly of members of organization by means of a video conference.

9. The minutes of general assembly of collective management organization shall be available for familiarization to any member of collective management organization.

10. Other matters in regards to holding general assembly and the decision-making procedure shall be established by the statute of collective management organization.

11. The general assembly adopts decisions by a simple majority of votes of members participating in general assembly.

12. Voting at the general assembly is open. The general assembly voting procedure is established by the general assembly itself.

Article 8. Supervisory body of collective management organization

1. Collective management organization shall establish a supervisory body to perform an on-going monitoring of activity of organization, management of organization, as well as collective management and exercise of the powers delegated by the general assembly.

The supervisory body's competence is defined by the statute of collective management organization and this Law.

The competence of the supervisory body shall include:

1) approval of general principles and rules of risk management of collective management organization;

2) control over the execution of the decisions of the general assembly by the executive body;

3) approval of any real estate purchase by collective management organization, sales or mortgage contracts;

4) approval of agreements on obtaining a credit by collective management organization and securing credit obligations;

5) auditing a financial activity of collective management organization;

6) convening general assembly of collective management organization and preparations for the holding of general assembly;

7) preparations of the proposals to the agenda of general assembly of collective management organization, as well as proposals to include items to the agenda that were submitted by the collective management organization members in a form of proposals;

8) complaint review and conflict resolution between collective management organization and the rightsholders in whose interests the organization operates;

9) making proposals on financial and economic activities of collective management organization.

The statute of collective management organization may foresee other functions that belong to the competence of supervisory body of collective management organization.

2. Various categories of rightholders, who are members of collective management organization, shall be represented at the supervisory body in a fair and balanced way.

The supervisory body may consist of third parties who are not collective management organization members, but whose professional experience enables them to fulfil supervisory functions. The number of third parties in the supervisory body can not exceed the number of the collective management organization members represented therein.

The supervisory body cannot consist of the members of executive body of collective management organization and persons being in employment relationship with this organization.

3. The executive and supervisory bodies shall annually report to the general assembly of members of collective management organization.

The executive and supervisory body members shall annually report to the general assembly of collective management the following information:

(a) on any interests in the collective management organisation;

(b) on any remuneration received in the preceding financial year from the collective management organisation in any form, including benefits in kind;

(c) on any amounts received in the preceding financial year as a rightholder from the collective management organisation;

(d) on absence or presence of actual or potential conflict between any personal interests and those of the collective management organisation or between any obligations owed to the collective management organisation and any duty owed to any other natural or legal person.

4. The meetings convened at least once a quarter is an organizational form work of the supervisory body. Extraordinary meetings may be convened at the request of half of the supervisory body members, as well as at the request of the executive body of collective management organization.

The supervisory body meeting shall be deemed to be competent if at least fifty percent of the total number of the supervisory body members are present at the meeting.

5. The supervisory body decisions shall be documented by minutes, copies of which shall be provided to the collective management organization members upon their request.

Article 9. Executive body of collective management organization

1. An individual or collegial executive body operates at collective management organization.

The procedure of establishment of executive body, its competence and the requirements to the candidates for the position of a member of the executive body shall be foreseen by the statute of the collective management organization.

2. The executive body reports to the general assembly and is controlled by the supervisory body of collective management organization.

3. The executive body in its activities is guided by the law of Ukraine, the statute, the decisions of general assembly and supervisory body of collective management organization.

Article 10. Provision of transparency of operation of collective management organization

1. Collective management organizations shall be obliged to publish and update the following information on their websites:

- 1) the statute;
- 2) the conditions of membership in collective management organization (if not regulated by the statutes);
- 3) the procedure of withdrawal of rights from management of organization;
- 4) the model license agreements and drafts of preliminary tariffs approved by the collective management organization;

- 5) information on the members of executive and supervisory bodies of collective management organization;

- 6) principles and procedure of the distribution of rights revenue;

- 7) procedure of the deduction from the collected rights revenue of administration fee as well as the amounts that may be directed for the cultural, social and/or training purposes;

- 8) the list of the agreements concluded with other collective management organizations including similar foreign organizations and the names of such organisations;

- 9) the procedure of consideration of complaints between such collective management organization and other collective management organizations, users, and rightholders;

- 10) the annual report on the activities of organization;

- 11) the list of the copyright and (or) related rights objects, the rights for which were withdrawn from the management of organization in accordance with the procedure established by Article 13 of this law;

- 12) general principles of the use of the unclaimed funds;

- 13) the list of unidentified copyright and (or) related rights objects and the list of objects with contradictory information on the rightholders.

2. Collective management organizations are obliged to take measures to ensure efficient and transparent operation of the organisation's executive body. In particular, executive body of the collective management organization shall annually report to the general assembly on its interests in the collective management organization; the remuneration amounts received for its activities during the reporting period; remuneration amounts received from such collective management organization as a rightholder (if this is the case); existing or potential conflicts of interests between the managerial duties in relation to the collective management organization and its duties in relation to any other natural person or legal entity.

3. Collective management organizations shall provide an Institution with the following information:

1) about the changes introduced to the statutes - within 5 working days after formalization of introduction of corresponding changes in accordance with the law;

2) about agreements with the rightholders on property rights management on a collective basis - annually before April 1 following the reporting year;

3) about the conclusion of bilateral or multilateral agreements with other collective management organizations or their associations, including with similar foreign organizations - annually before April 1, following the reporting year;

4) about annual balance sheet and the organization's supervisory body report – annually before April 1, following the reporting year;

5) about annual report in the form in accordance with the law – annually before April 1, following the reporting year;

6) about audit findings– within 5 working days after the completion of the audit conclusion;

7) about the general assembly convening (date, time, place and agenda, drafts of documents and agenda decisions) – not less than 14 days prior to the the general assembly convening;

8) about decisions approved by the general assembly - within 5 working days from the date of their entry into force;

9) about persons authorized to represent an organization (executives) - within 10 working days after the election (appointment) or dismissal takes place;

10) about the organization location, telephone numbers - within 5 working days since the day of respective changes.

4. The collective management organization carries out expenses for the purchase of goods, works or services in an order and using the procedures established by the Law of Ukraine "On Public Procurement".

Responsibility for the ineffective use of funds by the collective management organization lies with its executive body.

Article 11. Annual report on activity of collective management organization

1. Annually before 1st of April following the reporting year, the collective management organization shall publish its annual report on its website and facilitate a free access to it for the period of five years upon its publication. One copy of the annual report shall be sent to the Institution's address by 1st of April of the next year.

2. The information presented in the annual report on the activity of collective management organization is subject to audit in accordance with the procedure established by law. The audit report shall be an integral annex to the annual report on the activity of collective management organization and shall be published together therewith.

3. Annual report of collective management organization shall contain in particular the following information (as of the beginning and the end of the reporting period):

1) bi- and multilateral agreements concluded with other collective management organizations, including the similar foreign organizations (names of the contractual parties, the effective date, the period of validity, and subject of the agreement);

2) collected by collective management organization rights revenue with the breakdown by category of rights and sphere of use of rights, on the use of such revenue (distribution to the rightholders, payment to other collective management organizations, use for other purposes);

3) relations with other collective management organizations, including similar foreign organizations, namely:

amounts received from other collective management organizations and amounts paid to other collective management organizations, along with the breakdown by category of rights, by sphere of use of rights, by organization;

amounts deducted as management fees and other deductions from rights revenue, paid to other collective management organizations, with the breakdown by rights category, sphere of use of rights, by organization;

amounts deducted as management fees and other deductions from rights revenue, by made other collective management organizations, with the breakdown by rights category, sphere of use of rights, by organization

sums payable to other collective management organizations and distributed directly to rightholders, with breakdown by rights category and by organization;

4) distribution and payment of the rights revenue by collective management organization, namely:

total amount, distributed in favor of rightholders, with breakdown by rights category and sphere of use of rights;

total amount, paid to the rightholders, with the breakdown by rights category and sphere of use of rights;

the total amount of collected, but not distributed or not paid to rightholders funds, with the breakdown by rights category and sphere of use of rights and indication of the financial year in which such funds were collected;

5) in case of existence of undistributed, unpaid funds — information on the reasons of such situation and about the measures which the collective management organization took to find and identify the rightholder to whom these funds shall be distributed;

6) use of the amounts retained by collective management organization with reasoning and calculations, in particular:

all operating and financial expenses made by organization, with the breakdown by rights category managed by the organization. When the expenses are indirect and can not be assigned to any of the rights category then the reasoning of such expenses shall be given;

operational and financial expenses solely in the part of rights management per se with the breakdown by category of rights managed by the organization. When the expenses are indirect and can not be assigned to any of the rights category then the reasoning of such expenses shall be given;

operational and financial expenses related to other than the rights management services;

resources used to cover expenses;

amounts of material remuneration, provided to the persons indicated in Articles 8 and 9 of this Law, in the reporting period;

deductions from rights revenue, with the breakdown by rights categories and spheres of uses of rights, as well as the purposes of such deductions;

7) cases when users were denied agreements;

8) the organizational and legal form and structure of organization.

Apart from the above information, in order to ensure transparency, collective management organization may also include other information into its annual report.

If any share of the collected funds to be used for cultural, social, training purposes, the annual report should also include a special report with detailed information on the specific aims and indication of the amounts used for each area.

Article 12. Functions of collective management organization and spheres of rights management

1. On its behalf and in the interests of the rightholders, the collective management organizations shall perform the following functions:

1) conclude agreements with users on authorising the use of the copyright and (or) related rights objects and agreements on payment of remuneration (deductions) for the use of the copyright and (or) related rights objects;

2) conclude agreements on partnership, agreements on representation of rights with other collective management organizations;

3) collect, distribute and pay rights revenue to the rightholders;

4) file lawsuits on behalf of the rightholders to defend their property rights in accordance with the statutory powers and instructions of the rightholders and take other actions envisaged by law and the instruction of the rightholders necessary for the protection of copyright and (or) related rights of the rightholders in whose interests the organization operates;

5) facilitate maintenance of registries of rightholders, registry of copyright and (or) related rights objects, property rights in which are managed by the organization;

6) monitor the lawful use of the copyright and (or) related rights objects in accordance with the spheres of management of rights, in regards to which the organization is registered, and in relation to the copyright and (or) related rights objects, property rights in which are assigned to them for management;

7) perform other functions defined by this Law and the Statute.

2. Collective management organization shall provide information on the grounded inquiries and react to the complaints made by the rightholders, other collective management organizations and users as soon as possible, but not later than 15 calendar days since the day of the receipt of the inquiry.

3. The collective management organizations shall not have the right to conduct enterprenerueal activities and shall conduct only economic activities without the purpose of obtaining profit that contributes to the achievement of their statutory objectives.

Collected rights revenue, the unclaimed funds and any other funds of the organization shall be separately accounted for on the accounts of collective management organization.

Collective management organizations shall have the right to initiate hosting of concerts, recitals, and other cultural events as well as make propositions to respective authorities to hold national patriotic events aimed at popularization of national creative works.

4. Voluntary collective management of property copyright and (or) related rights may be exercised in any spheres of rights management, except for those where extended and mandatory collective management is exercised.

5. Extended collective management extends to the entire territory of Ukraine and is exercised in respect of the property rights of all rightholders of the relevant category in the spheres for which the organization is accredited, including those who did not enter into an agreement for copyright and

(or) related rights objects management with an accredited organization and regardless of the manner in which the rightholders chose to manage their rights.

Extended collective management foresees the right of the rightholders to withdraw in whole or in part, their respective rights to copyright and (or) related rights objects from management of an accredited organization in the manner prescribed by this Law.

Extended collective management of copyright and (or) related rights objects is exercised exclusively in the following spheres:

1) public performance of musical non-dramatic works with and without lyrics, including those works included in audiovisual works;

2) public broadcasting of musical non-dramatic works with and without lyrics, including those works included in audiovisual works, except for cable retransmission;

3) the right to an equitable remuneration, joint for performers and producers of phonograms (videograms), for the public performance of phonograms and recorded performances in them, or public demonstration of videograms and recorded performances in them, published for commercial use;

4) the right to an equitable remuneration, joint for performers and producers of phonograms (videograms), for public broadcasting of phonograms and recorded performances in them, videograms and recorded performances in them, published for commercial use, except for cable retransmission;

This list of spheres of collective management, in which extended collective management is exercised, defined by this paragraph, is exhaustive.

One accredited organization shall be designated for each sphere of extended collective management on the condition of absence of any conflicts of interests between the main category of rightholders in whose interests the organization operates and other categories of rightholders in favor of which rights revenue in the relevant sphere of extended collective management shall be collected. In case of the existence of the specified conflict of interest, the Committee shall, according to the criteria and procedure specified in paragraphs from four to ten of Article 15 of this Law, designate an additional accredited organization for this sphere among the organizations that conduct activities mainly in the interests of the corresponding other category of the rightholders. The legal status of an additional accredited organization means that this organization has no right to independently collect rights revenue from the users in the relevant sphere, but at the same time has the power to demand and obtain from an accredited organization the share of rights revenue in this sphere that belongs to the category of the rightholders, in the interests of which an additional accredited organization operates, for further distribution and payment of such share to the rightholders of this category. The rightholders of the relevant category shall have the right to withdraw their rights from an additional accredited organization in accordance with the extended collective management.

One collective management organization may be accredited to exercise extended collective management in several spheres in relation to several categories of rightholders, provided that there are no conflicts of interests between the different categories of rightholders.

6. Mandatory collective management extends to the entire territory of Ukraine and is exercised in respect of the property rights of all rightholders in the relevant category in the spheres for which the organization is accredited, including those who did not enter into an agreement on management of copyright and (or) related rights objects with an accredited organization and regardless of the manner in which the rightholders chose to manage their rights.

Mandatory collective management is exercised in the following spheres:

- 1) resale right in respect to the works of fine arts;
- 2) reprographic reproduction of works and their parts (excerpts);
- 3) reproduction for home and private purposes of works, performances recorded in phonograms, videograms, their copies, as well as audiovisual works and their copies;
- 4) cable retransmission of copyright and (or) related rights objects, except for the rights of broadcasting organizations in relation to their own programs (broadcasts).

This list of the spheres of collective management, in which mandatory collective management is exercised, defined by this paragraph, is exhaustive.

For each sphere of mandatory collective management one accredited organization shall be designated.

One collective management organization can be accredited to exercise mandatory collective management in several spheres, as well as simultaneously with the exercise of extended collective management.

Mandatory collective management does not foresee the withdrawal by the rightholder, in whole or in part, of his property rights from the management of the accredited organization.

Article 13. Declaration of property rights. Withdrawal of property rights from management of collective management organization

1. Declaring of property rights by the rightholders is exercised in order to identify the copyright and (or) related rights objects.

2. When declaring the property rights, the rightholder shall provide information about the object, which allows to reliably distinguish it from other copyright and (or) related rights objects of the rightholder and third parties.

3. Collective management organizations shall set rules for declaring property rights that they administer and keep register of copyright and (or) related rights objects transferred to their management.

4. Declaring shall be conducted in written or electronic form (in the electronic system of administration) in the manner established by the collective management organization.

5. Declaration and information related to declaring of property rights shall be kept throughout the term of the collective management organization operation.

6. The rightholders are responsible for the accuracy of the information they provide when declaring their copyright and (or) related rights objects.

7. The collective management organization shall immediately suspend the payment of the corresponding shares of rights revenue distributed in connection with the use of the copyright and (or) related rights object and to notify the declarants who declared their rights to this object in the event that:

- 1) collective management organization received information that does not allow to reliably distinguish one object of property rights from the other objects of property rights of this rightholder and / or third parties;
- 2) information about property rights received by organization from different rightholders about the same object of property rights contains contradictory information regarding the rightholders.

The notice of identified deficiencies in the information shall be sent to all persons who have declared their property rights to the corresponding object of property rights.

Collective management organization shall resume the payments of rights revenue suspended in connection with contradictory information only after the receipt of new declarations that eliminate contradictions, as well as in the case of obtaining a court decision that entered into force and eliminates contradictions regarding the circle of the rightholders in the disputed object of property rights.

8. The rightholders shall have the right, on the basis of a written application, to demand the withdrawal of their rights from the management of collective management organization, the termination of actions in regards to granting permissions for the use of their copyright and (or) related rights objects, actions in regards to collection of remuneration for the use of their copyright and (or) related rights objects (hereinafter – withdrawal application). Withdrawal application shall indicate the rights that are withdrawn from the management of the organization and the list of copyright and (or) related rights objects.

The rightholders shall indicate the list of objects in respect of which the application is filed and the legal grounds for acquiring property rights to these objects in withdrawal application.

9. In case of submission by the rightholders to collective management organization of a withdrawal application regarding their copyright and (or) related rights objects, the collective management organization shall, within six months from the date of receipt of these applications, pay to the rightholders who filed applications the due remuneration; to make appropriate amendments to the agreements with users, to terminate the management of these copyright and (or) related rights objects (termination of activities on granting permissions for the use of these copyright and (or) related rights objects, actions on collecting remuneration for use of these copyright and (or) related rights objects, actions on appeals to the court on the protection of the rights of the rightholders in respect of these objects, etc.) and to place information on such withdrawal with the list of the owners who made such withdrawal and the list of copyright and (or) related rights objects in regards to which the withdrawal took place on its website.

10. Filing of withdrawal application shall not be allowed and the collective management is obligatory in the case of exercise of mandatory collective management in accordance with this Law.

11. Subject to compliance by the rightholders with the withdrawal procedure provided for in this Article, collective management organization shall not have the right to refuse the withdrawal of rights from management.

12. The rightholders may also withdraw their rights from management of an organization accredited for the exercise of extended collective management of rights. In such case, in the territory of Ukraine, the management of rights withdrawn from collective management may be exercised by the rightholder.

13. If the part of the rights revenue, that was due to the rightholder before the filing of the withdrawal application, was received by collective management organization after the expiration of the term specified in paragraph nine of this Article, the organization shall notify the rightholder within a month and take all possible measures to pay the money due to him.

Article 14. Rights of the rightholders in relationship with the collective management organization

1. The rightholders who acquired the status of a member of collective management organization shall have the right:

1) to participate in the general assembly of collective management organization in accordance with the provisions of Article 7 of this Law;

2) to participate in the activity of the supervisory or executive body of collective management organization in accordance with the provisions of Articles 8 and 9 of this Law;

3) to receive from the collective management organizations information about the management of their property rights, the amounts of collected rights revenue and accrued for them share of rights revenue, as well as the amount of remuneration for management retained by collective management organization;

4) to receive their respective share of rights revenue;

5) to contact the organization with the help of telecommunication facilities (telephone, e-mail, authorized electronic platforms, other means of communication);

6) to withdraw from the management of collective management organization their property rights in accordance with the procedure provided for in Article 13 of this Law;

7) to terminate membership in collective management organization;

2. The rightholders who have not acquired the status of a member of collective management organization shall have the rights provided for in sub-paragraphs 1-6 of paragraph one of this article.

Section III

REGISTRATION AND ACCREDITATION OF COLLECTIVE MANAGEMENT ORGANIZATIONS

Article 15. Registration of collective management organizations

1. A legal entity intending to perform functions of collective management organization shall, after its state registration, apply to the Institution for collective management organization registration.

2. A legal entity may be included into the Register of Collective Management Organizations in case it complies with the following requirements:

1) it is registered as a public association with the legal entity status in accordance with the procedure established by law;

2) the founders of organization are exclusively the rightholders;

3) it is a non-profit organization;

4) the subject of the organization's activity is collective management of property rights of copyright and (or) related rights subjects;

5) the statute, other constituent documents and internal rules of organization comply with the requirements of this Law and other laws and regulations of Ukraine;

6) it has not less than one fulltime employee with no less than two-year experience in the field of copyright or related rights necessary for collective management organization to fulfill its functions;

7) it has written statements from the rightholders about the intention to entrust the organization with management of their rights;

8) it has a current account in a bank;

9) it has its own website containing information in accordance with the requirements of this Law.

3. To be included into the Register of Collective Management Organizations, a legal entity shall attach to the application for registration of collective management organization, submitted to the Institution, the following documents:

1) copies of the statute, constituent documents and internal rules of the organization;

2) extract from the Unified State Register of Legal Entities, Individual Entrepreneurs and Public Associations;

- 3) a copy of the document confirming the non-profit status received by organization;
- 4) a copy of the certificate confirming the set up bank accounts;
- 5) basic information about the founders, members of the supervisory and executive bodies and employees of the legal entity, submitted in accordance with the form approved by the Institution;
- 6) copies of rightholders' written statements of the intention to entrust their rights management to the legal entity;
- 7) information about the domain name, structure and content of the organization's web site.

The specified information and documents shall be certified in the manner prescribed by law.

Requesting other documents for inclusion of a legal entity in State registry of collective management organizations shall not be allowed.

4. The application for registration of collective management organization together with the information and documents confirming the legal entity compliance with the requirements specified in paragraph 2 of this Article shall be submitted to the Institution directly or through the Unified State Portal of Administrative Services in accordance with the Law of Ukraine "On Administrative Services".

Responsibility for the veracity of the information and documents submitted for the registration of collective management organization and the information specified therein is borne by the head of a legal entity.

The documents submitted to the Institution for collective management organization registration shall not be returned and shall be kept by the Institution.

5. The Institution shall consider the collective management organization registration application within 15 working days after the legal entity submits all necessary documents. The Institution shall examine all documents submitted by the legal entity and shall decide on the collective management organization registration or on the denial of the registration.

6. The grounds to deny legal entity registration as a collective management organization are the following:

- a) non-conformity with the requirements specified in paragraph 2 of this Article;
- b) submission of an incomplete list of documents or the documents containing false information;
- c) submission of the statute that is not compliant with the law;
- d) submission of an application until the end of one calendar year from the date of cancellation of the legal entity's collective management organization registration by a court decision.

In case of denial of collective management organization registration, the Institution shall notify the legal entity in a written form within 10 working days after the decision on denial was made and shall provide a copy of the decision on denial of registration.

After eliminating the causes of the decision on denial of registration, the relevant legal entity may re-apply for collective management organization registration, submit the documents specified in paragraph three of this Article, as well as, at the will of the legal entity, may submit other information and documents confirming legal entity compliance with the requirements specified in paragraph two of this Article.

The decision on denial of collective management organization registration may be appealed in court in accordance with the law.

7. In case of compliance of the legal entity with the requirements of paragraph two of this Article and submission of the full list of documents in accordance with paragraph three of this Article, the Institution shall make a decision on registration of collective management organization.

A legal entity acquires the collective management organization status as a result of its registration by the Institution in the Register of Collective Management Organizations exclusively in the spheres specified in the Register regarding this legal entity.

Article 16. Accreditation of collective management organizations

1. The accredited collective management organization shall be designated by an open competition organized by the Institution and conducted by the regular collective management organization accreditation committee (hereinafter - the accreditation committee) in the manner prescribed by this Law. The procedure of formation, term of powers and procedural principles of the accreditation committee shall be defined by the accreditation committee regulations approved by Institution.

2. The accreditation committee shall consist of the following members:

- the Institution head (or his deputy) - the committee chairman;
- from the Institution - 1 person;
- from the central executive body, that ensures culture and arts state policy - 1 person;
- from the National Council of Ukraine on Television and Radio Broadcasting - 1 person;
- from public associations, associations representing users - 1 person;
- from public associations, associations, creative unions representing the rightholders - 1 person;
- from international organizations in the sphere of copyright or from international organizations in the sphere of related rights organizations - 2 persons who take part in the review of the matters according to their competence.

Members of the accreditation committee, delegated by international copyright and (or) related rights societies, may participate in activity of the committee by means of a videoconference.

The accreditation committee members should act on the principles of impartiality, absence of conflict of interests and collegiality in decision-making.

The accreditation committee members are approved by the order of the Head of the Institution.

3. The accreditation committee decisions that are considered at the accreditation committee meetings shall be taken by a simple majority of votes in the presence of not less than two thirds of its members.

The adopted decision shall be documented in the minutes.

In the case individual committee members participate in voting by means of videoconference, this fact is documented in the minutes.

The meetings of the accreditation committee are open.

4. The Institution shall publish on its website an announcement of the beginning of open competition no later than 30 calendar days before the end of the receipt of applications.

The announcement must indicate the sphere of accreditation, term of submission of the documents and date of the meeting of accreditation committee.

5. Collective management organizations are allowed to participate in competition on designation of accredited organization if compliant with the following requirements:

The sphere of activity of organization, specified in the Register of Collective Management Organizations, corresponds to the sphere of accreditation;

activity of the organization is performed in the whole territory of Ukraine. The organization has isolated subdivisions or persons who under the relevant agreements are authorized to conduct negotiations on the conclusion of contracts on behalf of collective management organization in the majority of regions of Ukraine;

has qualified staff with no less than two years of experience in the copyright or related rights sphere necessary to fulfil collective management organization functions;

has maintenance supplies and software necessary to fulfil collective management functions (computers, printer, copy machine, software that enables identification of the copyright and (or)

related rights objects and distribution of the collected remuneration, as well as registration and identification of the rightholders, Internet access, telephone, fax, equipped desks etc);

has the premises necessary to locate its staff and equipment to fulfil collective management organization functions which is owned or leased.

6. Collective management organization may be accredited in relevant sphere if it is representative, namely:

it has agreements with significant number of rightholders – Ukrainian residents, who, in order prescribed by this Law, declared their rights on the objects of copyright and (or) related rights (in respect of the given category of rights of the given category of rightholders that organization plans to administer) which are actually being used in Ukraine;

it has representation agreements with similar foreign organizations, agreements with foreign rightholders (in respect of the given category of rights of the given category of rightholders that organization plans to administer) that foresee the management of the biggest quantity of rights that belong to the non-residential rightholders in objects of copyright and related rights that are actually being used in the territory of Ukraine.

When determining representativeness of the collective management organization the quantitative indicator of uses of certain category of the objects of copyright and (or) related rights for the previous calendar year in the territory of Ukraine shall be taken into account. This indicator may be determined, in particular, by the frequency of broadcasts of the objects of copyright and (or) related rights from the catalogue of the organization under the certain category on the national TV and Radio broadcasting, taking into account the territorial category of the broadcast. The frequency of broadcasting is determined on the basis of the reports on the use of objects of copyright and related rights from TV and Radio broadcasters for the previous calendar year provided to the Institution.

7. The collective management organization that participates in the competition on designation of the accredited collective management organization shall submit to the Institution an application in the established form, which specifies the sphere in respect of which the organization plans to exercise extended and (or) mandatory collective management.

The following shall be enclosed to the application:

- 1) a list of the rightholders with whom the organization concluded the agreements, indicating their rights to the objects of copyright and (or) related rights (according to the sphere in respect of which the application is submitted);
- 2) information about the actual number of uses of objects of copyright and (or) related rights in the territory of Ukraine regarding which the organization concluded agreements with the rightholders (along with supporting documents);
- 3) copies of the agreements concluded by the organization with similar foreign organizations that manage the rights in type of object of copyright and (or) related rights, in accordance with the sphere, in respect of which the application is submitted;
- 4) information on membership or cooperation with international associations of collective management organizations, international associations of rightholders in the sphere, in the which the application is filed;
- 5) information about the separated divisions of the organization or persons authorized by the relevant agreements to conduct negotiations on the conclusion of agreements on behalf of the collective management organization;
- 6) information confirming the ownership of the organization on the premises, or the right to use the premises;
- 7) information about the maintenance supplies and qualified personnel of the organization;

The said documents shall be certified in accordance with the procedure established by the legislation.

8. The application for accreditation of the collective management organization and the information and documents attached thereto shall be submitted to the Institution.

Responsibility for the veracity of the submitted information and documents and the information contained therein is borne by the head of the legal entity.

Documents submitted to the Institution shall not be returned and remain in the Institution.

9. Based on the results of the competition, the Institution places on its web site a decision on the accreditation of the collective management organization.

The decision taken may be appealed to the Institution by other organizations that took part in the competition within five working days from the date of such disclosure of the decision. Complaints shall be reviewed within 15 days of their receipt.

The decision on accreditation of the collective management organization shall be approved by the order of the Institution.

10. If after the announcement of the accreditation competition only one collective management organization applies for participation, it shall not constitute a ground for cancellation or postponement of the competition.

In the event that none of the organizations intending to be accredited in a particular sphere complies with the requirements of this Law or when no organization applies for accreditation in a particular sphere, it is considered that collective management of rights of objects of copyright and (or) related rights is not exercised in this sphere. In this case, the competition is considered to be open to all willing organizations until the decision on the accreditation of the collective management organization is taken.

11. Information on the accreditation of the collective management organization shall be included in the Register of collective management organizations.

12. The term of accreditation of the collective management organization shall constitute three years.

Four months before the end of the accreditation period of the collective management organization, the Institution announces a new open competition.

Article 17. Register of Collective Management Organizations

1. The Institution is a holder and administrator and ensures the maintenance of the Register of Collective Management Organizations, to which it shall provide an access on the free and permanent basis online for any persons. The technical maintenance of the operation of the specified register shall be performed by the Institution.

At the request of the applicant, the Institution shall provide an excerpt on a free of charge basis from the Register of Collective Management Organizations within three working days from the date of receipt of the corresponding application.

The procedure for keeping the Register of Collective Management Organizations and the form of extract from it shall be approved by the Institution.

Intellectual Property Rights of the Register of Collective Management Organizations belong to the Institution.

Article 18. Introducing amendments to the Register of Collective Management Organizations

1. Changes to the Register of Collective Management Organizations shall be made in the following cases:

- 1) changes in the name of a legal entity (if the change is not related to the reorganization of a legal entity);
- 2) changes in the location of the legal entity.

In case the grounds for introducing amendments to the Register of Collective Management Organizations emerged, the collective management organization shall be obliged to submit to the Institution an application of amendments with the supporting documents or their notarized copies confirming the indicated changes within 10 working days from the day such ground emerged.

2. Changes to the Register of Collective Management Organizations shall be made within three working days from the day the respective application is submitted on a free of charge basis.

Article 19. Cancellation of registration and accreditation of collective management organization

1. Registration of a collective management organization can be canceled:

- 1) by application of collective management organization;
- 2) in case of termination of the organization as a legal entity in accordance with the procedure established by law;
- 3) in the case of depriving the organization of non-profit status;
- 4) upon Institution's decision on cancellation of a registration due to violation by collective management organization of the requirements of this Law.

Institution's decision on cancellation can be contested in the courts.

2. Accreditation of the collective management organization can be canceled:

- 1) by application of collective management organization;
- 2) in case of cancellation of registration of collective management organization;
- 3) upon Institution's decision on cancellation of a registration due to violation by collective management organization of the requirements of this Law.

Institution's decision on cancellation can be contested in the courts.

3. The application for cancellation of registration, the application for cancellation of accreditation submitted by the collective management organization shall be considered by the Institution within three working days from the date of its receipt to the address of the Institution.

The Institution makes a decision on cancellation of registration, accreditation upon application of collective management organization, certified copy of which shall be sent to the organization within one business day from the day of its adoption. On the day of adoption of a decision, the collective management organization shall be excluded from the Register of Collective Management Organizations. Information about cancellation of registration, accreditation shall be made public on the official web site of the Institution on the Internet.

In the event of a decision to cancel registration, accreditation upon application of the collective management organization, registration, accreditation is deemed to be canceled from the date of the adoption of a decision.

4. Within 90 calendar days from the date of sending the certified copy of the decision on cancellation of the registration, accreditation, the organization whose registration, accreditation was canceled shall distribute and pay the previously received rights revenue to the rightholders. The remaining amounts of unpaid revenue shall be transferred by the organization to a new collective management organization that will exercise activities in the same sphere, provide this organization with information about concluded agreements with users (with details of the agreement, duration, the name of the legal entity, its location (surname, name, patronymic, place of residence of an individual - entrepreneur), contact phone numbers) as well as other information necessary for further distribution and payment of this revenue in accordance with the Law in the sphere of copyright and related rights. The information should be certified by the signature of the official of the organization.

During specified period, the organization shall notify the persons with whom agreements on the use of copyright and (or) related rights objects are concluded, on the termination of agreements.

Within three working days from the date of expiration of the specified period, the organization shall provide the Institution with a report on compliance with the requirements provided for by this paragraph.

5. If the organization is terminated as a legal entity in accordance with the procedure established by law, the procedure of distribution and payment of remuneration upon the accreditation cancellation shall be observed in accordance with Ukrainian legislation.

6. If the organization fails to fulfil the requirements established by paragraph four of this Article, the Institution shall address the law-enforcement bodies.

7. If the organization violates the copyright and (or) related rights legislation requirements, including of this Law, the Institution shall have the right to cancel registration and accreditation of such organization.

8. The registration cancellation and exclusion of the Register of collective management organization shall result in the termination of the right to operate as a collective management organization.

9. The accreditation cancellation deprives a collective management organization of the right to exercise extended or mandatory collective management in the sphere in which the organization was accredited and shall constitute a basis for initiating a new procedure of accreditation of collective management organization in the relevant sphere.

Section IV

COLLECTION, DISTRIBUTION AND PAYMENT OF RIGHTS REVENUE

Article 20. Relationship with users, collection of remuneration and deductions from users

1. Collective management organizations shall build their relationship with users on the principles of impartiality, fairness, reasonableness of tariffs and free access to information. The conditions of granting licenses for the use of objects of copyright and (or) related rights shall be based on objective and non-discriminatory criteria.

The collection of remuneration by collective management organizations from users is carried out in accordance with the sphere in which the collective management organization is registered and/or accredited and entered into the Register of Collective Management Organizations.

The remuneration collection (deductions) is carried out by collective management organizations on the basis and within the limits of the powers received from the rightholders and / or collective management organizations and /or similar foreign organizations on the basis of agreements concluded in writing (electronic form) or provided by this law.

2. Tariffs that are proposed to be used in user agreements shall be objective and reasonable, taking into account, in particular, economic value of use of objects of copyright and (or) related rights in economic activity, nature and extent of the use of objects of copyright and (or) related rights, type of user activity, financial and economic indicators of the market where the mentioned objects are used.

Drafts of preliminary tariffs are determined at the general assembly of the collective management organization and are set as a fixed amount or as a percentage of proceeds received by users in regards to direct use of objects of copyright and (or) related rights excluding the expenses payments for purchasing (acquiring) rights to such objects of copyright and (or) related rights, or

percentages of the cost of equipment and material carriers, using which it is possible to perform reproduction of objects of copyright and (or) related rights, separately for each category of users.

Within 10 working days since the preliminary draft tariffs are determined the collective management organization shall make the draft of preliminary tariffs publicly available by:

publishing on the organization's web site;

sending to the Institution;

sending it together with an offer to participate in negotiations on tariffs setting, to specialized associations and associations of users in the relevant category, as well as separately to users who according to the data of the collective management organization in the previous accounting period paid not less than 1% of the overall rights revenue collected by the collective management organization for this category of users.

Institution within 10 working days since the draft tariffs are received from the collective management organization shall publish on its website information on beginning of negotiations on tariffs setting.

Within thirty calendar days from the date of the publication of the draft tariffs, the Institution shall register the representatives of the specialized associations and associations of users in the relevant category, as well as users who expressed their willingness to take part in the negotiations.

Within 10 working days after the date of completion of registration of the participants of the negotiations, the collective management organization submits to the Institution, and the Institution publishes information on the date and place of the negotiations. Institution performs mediation during negotiations.

Negotiations on final tariffs setting shall be finished no later than within 30 calendar days.

In the event that the parties in the course of negotiations have not agreed on final tariffs setting, the collective management organization shall apply for a period of up to six months the temporary tariffs, the amount of which shall be approved by the Cabinet of Ministers of Ukraine.

In the event that the parties have not agreed on the final tariff within six months, such tariff shall be determined by the court. Appeal to a court does not relieve the user of the obligation to continue to pay remuneration at a temporary tariff until the court decision becomes effective.

The court's final tariffs are applied from the moment of appeal to the court.

3. Users, before the beginning of use of objects of copyright and (or) related rights in their activities, except for the cases stipulated by this Law and the Law of Ukraine "On Copyright and Related Rights", shall conclude an agreement on the use of objects of copyright and (or) related rights with the collective management organization, managing copyright and (or) related rights in the relevant sphere. The procedure of a court appeal of temporary or final approved tariffs published by the Institution cannot be a reason for users to avoid from concluding an agreement. In the event that the agreement between the user and the collective management organization is concluded on the basis of the temporary tariff, it shall be renewed (by signing a new agreement or concluding an additional agreement by the parties) after the Institution has published the final approved tariff.

In case of conclusion of the agreement between the user and the accredited collective management organization and fulfillment of obligations stipulated by this agreement, the user is released from any other claims regarding this category of rights, the type of object of copyright and (or) related rights and the type of its use in accordance with the sphere of accreditation of this collective management organization with which it has an agreement, except for the objects of copyright and (or) related rights which are not covered by the agreement which is indicated in the website of the given organization. In case of receipt of such claims they are solved by collective management organizations.

4. Users shall pay to collective management organizations, with which they have contractual relationship, remuneration in the amount and within the terms provided for by such agreement. At the request of the collective management organization and, if provided by the terms of the agreement concluded with the collective management organization, users shall provide the organization with an accurate list of used objects of copyright and (or) related rights. The list of documents and the procedure of reporting is determined by an agreement on the use of copyright and (or) related rights objects, which in certain cases may include the obligation of users to provide documented information, including statistical reporting, on profit received from the type of activity in the process of which the direct or indirect use of the objects of copyright and (or) related rights was carried out.

Broadcasting companies submit reports to the collective management organization in the form approved by the Institution.

The release of user from the obligation to submit reports to the collective management organization on the use of objects of copyright and (or) related rights is allowed in the event that the user is not able to provide the relevant report and if the relevant arrangements were reached with that organization, provided that the collective management organization takes responsibility for the fair distribution of the collected remuneration without the user's report and the user's reimbursement of reasonable expenses incurred by the organization for obtaining such information.

5. The collective management organization shall not have the right to unreasonably refuse the user to enter into an agreement. The collective management organization shall provide information to the user's requests, to inform on the documents necessary for the conclusion of the agreement, or about circumstances that make it impossible to conclude an agreement. After receiving such documents by the organization or eliminating circumstances that made it impossible to conclude an agreement, such an agreement shall be concluded between the organization and the user in the shortest possible timeframe.

Article 21. Distribution of rights revenue, deduction of administration fee and other payments

1. Collective management organizations shall distribute rights revenue in proportion to the actual use of the corresponding objects of copyright and (or) related rights, which is determined on the basis of information received from users or otherwise in accordance with paragraph 4 Article 20 of this Law.

In cases where the specificity of the use of objects of property rights does not allow obtaining credible users' reports, collective management organizations in order to perform fair distribution of collected rights revenue in their own rules, approved at the general assembly, may determine other sources of information on the actual use of objects of property rights.

In order to clarify the information on the actual use of objects of property rights collective management organization shall have the right to submit requests to the Institution on the public broadcasting of objects of property rights by broadcasting organizations for the previous calendar year. The relevant information is formed on the basis of the reports of the broadcasting organizations provided to the Institution.

Rights revenue distribution in the spheres covered by mandatory collective management is carried out taking into account the percentage ratio between the different categories of the rightholders, stipulated by law.

2. The frequency of rights revenue distribution provided by the Statute of the collective management organization shall be at least once a year.

Collective management organizations shall make such distribution and payment to the rightholders, including in benefit of rightholders represented by other collective management organization, as soon as possible, but not later than nine months after the end of the fiscal year in which the rights revenue was collected, in the absence of objective reasons (in particular, non-

provision of reports by users, non-identification of rights, the rightholders or the non-conformity of information about works and other objects related to rightholders) that may prevent collective management organization from being on schedule.

The accredited collective management organization distributes the share of rights revenue to the rightholders it represents and forwards other shares for distribution and payment to the collective management organizations representing the interests of other relevant categories of rightholders.

In case of transfer of funds from the collective management organization accredited for mandatory or extended collective management, other collective management organization shall distribute and pay those amounts due to the rightholders as soon as possible but not later than six months after their receipt, in the absence of objective reasons (in particular, non-provision of the reports by users, non-identification of rights, the rightholders or the non-conformity of information about works and other objects related to rightholders) that may prevent collective management organization from being on schedule.

3. If it is not possible to distribute the amounts due to the rightholders within the period specified in this Article for the reasons of inability to identify the rightholders and their location and in the absence of grounds for applying the exception to keep this deadline, such amounts shall be indicated in collective management organization accounting records on a separate account (subaccount).

4. The collective management organization shall take all necessary measures to determine the rightholders, their location and contact information. In particular, it is obliged to inform its own members as well as other collective management organizations with which it concluded the relevant agreements, about the property rights objects concerning which there were difficulties in identification and rightholders searching within three months from the day of expiration of the time limit set for distribution.

The information specified in the first sub-paragraph of this paragraph, if available, shall include the following:

- work or other object title;
- rightholder's name / title;
- respective publisher's or producer's name/title;
- any other available relevant information that may help to identify the rightholder.

The collective management organization should also check the information of the registry of rightholders, registry of objects of copyright and (or) related rights and the information provided during the property rights declaration and use other available registers and information open sources.

5. In the event identification and rightholders searching is not successful, within six months after the expiration of period specified in the paragraph four of this Article, collective management organization publishes on its web site information about the copyright and/or related rights objects in regards of which difficulties in rightholders identification and searching arose, indicating all possible information about the copyright and (or) related rights objects that may help to identify the rightholders.

6. If none of the specified actions helped to identify the rightholders, define their location and pay them due rights revenue, as well as if the identified rightholders by certain action or inaction of such persons or due to other reasons, (in particular, rightholders avoiding from concluding an agreement with collective management organization, failure to provide relevant bank details)), collective management organization is not able to pay them respective shares of distributed rights revenue, three years after the end of the fiscal year in which such revenue was collected, the respective shares of rights revenue shall be recognized as unclaimed funds and directed to the development of Ukrainian culture. The Cabinet of Ministers of Ukraine approves the procedure and conditions of transfer of corresponding funds by collective management organization to a state institution that performs special functions in promoting national and cultural development of Ukraine.

7. Collective management organizations shall have the right to withhold from the sum of the collected rights revenue the amount of administration fee. The deductible amounts of administration fees shall not exceed the maximum amounts provided by this Law.

8. In the event that the collected share of rights revenue is payable directly to the rightholder, the maximum amount of administration fee may not exceed 20 percent of the amount collected in favor of the rightholder.

9. If the distributed share of rights revenue is paid to the collective management organization on the basis of the agreement concluded between the organizations, the aggregate maximum amount of the administration fee of all collective management organizations involved in the process of payment of the share of revenue to the rightholder can not exceed 25 percent of the amount collected in favor of the rightholder.

In case of extended collective management, a larger share of the aggregate maximum amount of administration fee may belong to the organization that collected the corresponding rights revenues from users - provided that in the agreement of representation of rights concluded with the organization to which the collected rights revenue is transferred in favor of rightholders, the size of this share is agreed and the transfer of funds is carried out with the provision of comprehensive and objective data, on the basis of which the distribution of rights revenue was made to rightholders.

In case of mandatory collective management, the share of the aggregate maximum amount of the administration fee of an organization accredited for the management in this sphere can not exceed one third of the aggregate maximum amount of administration fee of all collective management organizations that participate in the process of paying a share of the rights revenue to the rightholder.

10. In addition to deducting the administration fee, the collective management organization, in accordance with the procedure established by this Law and the statute of the organization, may make other deductions from the collected rights revenue, but not more than 15 percent of the amount of collected rights revenue.

Such additional deductions shall be directed to the creation of special funds of the collective management organization for the provision of social, cultural or educational services to its members and other rightholders or in the interests of the creative community (including implementation of informational and educational measures on public awareness and respect for intellectual property, the need for its protection, etc.)

Article 22. Payment of collected and distributed rights revenue

1. Payment of the share of rights revenue by collective management organization to the rightholder shall be carried out in accordance with completed distribution.

Any payments to rightholders, collective management organizations, other legal entities prior the distribution shall be prohibited.

2. Collected and distributed rights revenue shall be transferred by collective management organization to its members, other rightholders who are not members of collective management organization and in whose favor the rights revenue was collected by the organization, collective management organizations with whom it has rights representation agreements, on ongoing basis, but not later than within six months from the end of the fiscal year during which such rights revenue was collected, except in cases of emergence of remuneration that cannot be distributed.

In case of impossibility to identify who owns a share of collected rights revenue and to pay it in due time provided by this paragraph, collective management organization shall inform its members and other collective management organizations within three months from the day of the expiration of the six-month period specified by this part, with which it has entered into rights representation agreements, on copyright and (or) related rights objects, concerning which there were difficulties with the identification and search of the rightholder.

The collective management organization shall take all necessary measures to identify the rightholder and his location. In case of absence of positive results in identifying and searching of the rightholder from the implementation of previous actions, collective management organization within three months after the expiration of the three-month period specified by this paragraph shall make public the information about copyright and (or) related rights objects on the Internet on its web-site concerning which the difficulties with the identification and search of the rightholder arose. Such information shall include (if available): the title of the copyright and (or) related rights object; the name of the rightholder; the name of the publisher concerned; any other available information that may help to identify the rightholder.

3. The collective management organization that received the rights revenue from other collective management organization on the basis of the agreement shall pay the share of revenue to its members in no later than six months from the date of receipt of such rights revenue.

4. At least once a year, collective management organization that collected the rights revenue shall notify the rightholders, to whom share of rights revenue is paid or planned to be paid, on its amount, type of relevant copyright and (or) related rights objects and duration of their use (if such information is available), about the amount of administration fee retained by collective management organization.

At least once a year, the collective management organization that collected the rights revenue under the representation agreement shall notify collective management organization in whose favor the rights revenue was collected, about the amount of collected remuneration, type of relevant copyright and (or) related rights objects and the duration of their use (if such information is available), the amount of administration fee retained by collective management organization, the number of concluded agreements with users, the number of cases of refusal to conclude agreements with users.

Article 23. Procedure of collection and distribution of remuneration for reprographic reproduction of works and private copying

1. Remuneration for reprographic reproduction of works shall be collected from producers and (or) importers of equipment and material carriers, with the use of which the reprographic reproduction of works can be made.

The remuneration for reproduction of works shall be paid in the form of deductions (percentages) of the cost of equipment and / or material carriers, which can be used for such reproduction.

2. The remuneration for private copying (reproduction at home and for personal purposes of works and performances recorded in phonograms, videograms, as well as audiovisual works) shall be collected from producers and (or) importers of digital, analogue and other equipment and material carriers, with the use of which such reproduction can be performed, under the conditions provided by the Law of Ukraine "On Copyright and Related Rights."

The remuneration for private copying shall be paid in the form of deductions (percentages) of the cost of equipment and / or material carriers, which can be used for such reproduction, except for:

- 1) professional equipment and / or material carriers not intended for use at home;
- 2) equipment and material carriers, exported outside the customs territory of Ukraine;
- 3) equipment and material carriers, imported by an individual on the customs territory of Ukraine exclusively for personal purposes and without a commercial purpose.

3. Manufacturers of equipment and (or) material carriers specified in this clause shall pay deductions to the authorized collective management organization within 30 calendar days after the sale of equipment and / or material carriers.

Importers of equipment and / or material media specified in this article shall pay deductions to the accredited collective management organization in the relevant sphere within 30 calendar days after the customs clearance of equipment and / or material carriers.

Manufacturers and importers of relevant equipment and / or material carriers shall provide the accredited collective management organization in the relevant sphere of management with documented data on the number of equipment and (or) material carriers manufactured or imported into the territory of Ukraine. The Institution and accredited collective management organization shall have the right to request such data.

4. The collected rights revenue by collective management organization after the retention of the administration fee in the manner prescribed by paragraph seven of Article 21 of this Law shall be distributed in the proportions specified in paragraphs five and six of this article.

5. Twenty five percent of the remuneration collected for the reprographic reproduction of works shall be directed to the development of Ukrainian culture. The procedure and conditions for the transfer by an accredited collective management organization of the corresponding funds to a state institution that performs special functions in promoting the national-cultural development of Ukraine shall be approved by the Cabinet of Ministers of Ukraine.

The remaining amount of the remuneration collected by accredited organization for reprographic reproduction of works indicated in sub-paragraph one of this paragraph, shall be distributed for the following categories of rightholders in the respective shares:

- authors of works of science, fiction - 50 percent;
- authors of fine art, photographic and other similar works - 10 percent;
- publishers - 40 percent.

6. Twenty five percent of the remuneration collected for private copying shall be directed to the development of Ukrainian culture. The procedure and conditions of the transfer by an accredited collective management organization of the corresponding funds to a state institution that performs special functions to promote the national-cultural development of Ukraine shall be approved by the Cabinet of Ministers of Ukraine.

The remaining amount of rights revenue collected for private copying specified in the sub-paragraph one of this paragraph shall be distributed in equal proportions for the following categories of rightholders:

- 1) persons holding proprietary rights in musical works and (or) texts to them;
- 2) persons holding proprietary rights in audiovisual works;
- 3) authors and performers of an audiovisual work or their heirs;
- 4) persons holding proprietary rights on phonograms and videograms and (or) the executions in them;
- 5) performers of works recorded in phonograms (videograms) or their heirs.

Article 24. The Procedure of Distribution of Remuneration for the Cable Retransmission of copyright and (or) related rights objects

1. Funds collected for cable retransmission of the copyright and (or) related rights objects shall be distributed among authors, performers, producers of phonograms, videograms or their heirs (legal successors). Unless otherwise provided in the agreements between collective management organizations, funds for cable retransmission of objects of copyright and (or) related rights shall be distributed as follows:

to the authors or their heirs or to persons to whom the authors or their heirs transferred their property copyright - 50 percent;

to the performers or their heirs or persons to whom property related rights of performances were lawfully transferred - 25 percent;

to the producers of phonograms, videograms or their heirs or persons to whom the property related rights on phonograms, videograms were lawfully transferred - 25 percent.

The collected funds shall be paid (transferred) to these persons directly or through their attorney, or through a collective management organization.

Section V

STATE SUPERVISION OVER THE ACTIVITIES OF COLLECTIVE MANAGEMENT ORGANIZATIONS AND MEDIATION IN NEGOTIATIONS AND IN CONFLICT RESOLUTION

Article 25. Procedure of the implementation of state supervision over the activities of collective management organizations

1. The Institution shall exercise state supervision over the activities of collective management organizations included in the Register of collective management organization by obtaining information, analyzing submitted documents and conducting unscheduled state supervision activities.

Planned measures of state supervision concerning collective management organizations shall not be carried out.

2. The grounds for carrying out unscheduled state supervision measures are as follows:

1) submission by collective management organization of a written application to the Institution for the implementation of state supervision measures at the request of this collective management organization;

2) the detection and confirmation of the unreliability of data contained in documents, statements submitted by collective management organization to the Institution;

3) verification of fulfillment of the requirements by collective management organization specified by the Institution in the warning;

4) receipt by the Institution of a substantiated appeal from a physical or legal person about violation of its legal rights by a collective management organization. The rightholder shall provide evidence of appeal to the collective management organization regarding this issue and that it was not resolved through the dispute resolution procedure established by such collective management organization;

5) failure to submit the documents, within the established time limit, by the collective management organization to the Institution, the obligation and submission terms of which are determined by this Law;

6) in case of non-fulfillment of requirements regarding the transparency of the organization's activities in accordance with this Law.

3. Detection during the implementation of unscheduled state supervision measures regarding collective management organization of non-conformity of the statements and documents, submitted for registration or accreditation of collective management organization, to the requirements of this Law shall be deemed as grounds for the cancellation of registration or accreditation, respectively.

4. In case of revealing during the implementation of unscheduled state supervision of the violations of the legislation in the field of intellectual property by collective management organization, the Institution shall apply sanctions to collective management organization foreseen by this Law.

In case of detection of violations of the legislation on intellectual property containing the evidences of a criminal offense, the Institution shall immediately inform the relevant body of pre-trial investigation.

5. Collective management organizations shall not obstruct the performance by the Institution of the functions of state supervision and shall provide the Institution with the information necessary for the exercise of state supervision.

6. In the event of violation by collective management organization of the requirements of the legislation of Ukraine in the field of copyright and (or) related rights, including a refusal to carry out the negotiation procedures specified in Article 22 of this Law, the Institution shall make a decision on imposing sanctions on collective management organization in the form of a warning.

The organization, which received the warning, shall be obliged to eliminate the violations specified within period specified in the warning and shall notify about it the Institution in writing.

7. In case of non-fulfillment or improper fulfillment of the requirements specified in the warning of the Institution and (or) continuation of violation of the copyright and related rights legislation specified in the warning, the Institution shall make a decision on cancellation of accreditation and/or registration of such organization and the exclusion of such organization from the Register of Collective Management Organizations.

The grounds for making a decision with regard to the cancellation of the accreditation of the collective management organization also shall be the substantiated appeal of the rightholders to the Institution, which specifies the facts of withdrawal from the management of the accredited collective management organization of a significant scope of property rights, which led to the non-compliance of this organization with the criterion of substantial representativeness determined in paragraph seven of Article 16 of this Law as well as an appeal of a legal entity for which there are valid grounds for believing that it is compliant with the criteria specified in paragraph seven of Article 16 of this Law and will be able to perform the functions of the accredited collective management organization in the sphere, in which a collective management organization already exercises collective management, in relation to which the applications on cancellation of the accreditation are submitted.

In case of a decision made by the Institution to cancel the accreditation of the organization a corresponding entry shall be included in the Register of Collective Management Organizations.

In case of a decision made by the Institution to cancel the accreditation and / or registration of the organization, it shall be excluded from the Register of collective management organizations.

Information about cancellation of registration and (or) accreditation shall be published on official web site of Institution.

Institution's decision on cancellation of accreditation and (or) registration can be contested in the courts.

Section VI FINAL AND TRANSITIONAL PROVISIONS

1. This Law shall come into force on the next day upon its publication and shall apply to the legal relations that have emerged after it comes into force. In regards to the functioning of electronic

system of registration and accounting of copyright and related rights the Law shall come into force on the 1st of July, 2019.

2. Certificates of registration of collective management organizations, on designation of collective management organizations as authorised organisations, on authorization of collective management organizations, issued before the entry into force of this Law shall become invalid nine months after this Law comes into force, and in the spheres according to which the law foresees exercise of extended or mandatory collective management - after the announced by the Institution in accordance with paragraph four of Article 15 of this Law end date of admission of applications to participate in the competition on accreditation in the respective sphere.

After the certificates of collective management organizations registration, the collective management organizations designation as authorised organizations, collective management organizations authorisation become invalid, the legal entities that have not been included to the Register of Collective Management Organizations, in the manner prescribed by this Law, shall take actions provided by paragraph four of Article 18 of this Law.

3. Three months after this Law comes into force, the Institution shall start receiving applications from the interested legal entities on registration of collective management organizations.

Five months after this Law comes into force, the Institution shall announce competitions for the designation of accredited collective management organizations in the spheres foreseen by sub-paragraphs six and seven of paragraph five and sub-paragraphs three and six of paragraph six of Article 11 of this Law and shall start accepting relevant applications from collective management organizations as announced on its official website.

Fourteen months after this Law comes into force, the Institution shall announce competitions for the designation of accredited collective management organizations in the spheres foreseen by sub-paragraphs four and five of paragraph five and sub-paragraphs four and five of paragraph six of Article 11 of this Law and shall start accepting relevant applications from collective management organizations as announced on its official website.

4. Within fourteen months from the date of entry into force of this Law the Institution shall take measures to bring collective management of the property copyright exercised by the State Organization Ukrainian Agency of Copyright and Related Rights (hereinafter - UACRR) in compliance with the requirements of this Law. The Institution shall:

1) within three months from the date of entry into force of this Law, organize the convening of a meeting of delegates from the number of rightholders – physical persons who entrusted UACRR with the management of their respective proprietary copyright. The following shall have the right to participate in the specified meeting of delegates:

a) persons delegated by all-Ukrainian creative unions that were granted with a national status by the Cabinet of Ministers of Ukraine (together not more than 33 delegates);

b) persons who according to the Statute of UACRR in the current version as of January 1, 2018, have the status of a member of the Council of Authors (together not more than 5 delegates);

c) persons selected on the basis of the results of the rating voting conducted by the Institution, who are the authors and have valid agreements with UACRR on management of their respective property copyright as of the date of entry into force of this Law, in a quantity not exceeding 11 persons.

The procedure for such rating voting shall be proposed by UACRR and approved by the Institution simultaneously with the approval by the Institution of the minimum number of works and the maximum number of authors of the corresponding types of works for the purposes of rating voting stipulated by this sub-paragraph.

The Institution shall approve and publish a list of participants in the meeting of delegates on the official website of the Institution.

2) after the adoption by the meeting of delegates of a decision on registration of a non-governmental organization whose purpose is collective management of rights - provide methodological and organizational support in the implementation of registration of a non-governmental organization, registration of collective management organization;

3) together with UACRR, address the individuals (including rightholders, other collective management organizations, including similar foreign organizations, international associations), with whom UACRR had agreements, with a proposal to replace the aforementioned non-governmental organization as a party of the agreement instead of UACRR;

4) ensure the transfer of data, information, including databases that belong to UACRR and are objectively necessary for the exercise of collective management to the aforementioned non-governmental organization;

5. After accreditation of collective management organizations in the spheres provided in sub-paragraphs four and five of paragraph five and sub-paragraphs four and five of paragraph six of Article 11 of this Law, the Institution shall liquidate UACRR in accordance with the procedure established by law.

6. The below mentioned legislative acts of Ukraine shall be amended as follows:

1) The Law of Ukraine "On Professional Creative Workers and Creative Unions" (Vidomosti Verkhovnoyi Rady Ukrainy, 1997, No. 52, art. 312, 2001, №41, p.199, 2004, № 16, p. 238; 2011 p., №44, p. 459 shall be amended as follows):

a) paragraph 12 of Article 9 shall be removed;

b) paragraph 3 of Article 21 shall be removed ".

2) in the Law of Ukraine "On Copyright and Related Rights" (Vidomosti Verkhovnoyi Rady Ukrainy, 2001, No. 43, art. 214, shall be amended as follows):

a) in Article 1:

The Article shall be supplemented with the following definition subject to the alphabet order:
"Cable retransmission shall mean the reception and simultaneous broadcasting by TV and radio organizations, programme service providers and other parties, independently of the technical means used, of the full and unchanged transmissions (programmes) of the broadcasting organisations, as well as works, performances, phonograms, videograms, in particular those that are contained in such transmissions (programmes) of the broadcasting organizations provided that the initial broadcast of such transmission (program) is carried out by a broadcasting organization that does not fall under the jurisdiction of Ukraine in accordance with a law or an international agreement, the consent to be bound by which was given by the Verkhovna Rada of Ukraine;"

In paragraphs 45 — 48, the words "upon the consent of the copyright and (or) related rights subjects" shall be removed;

b) in Article 4:

paragraphs 3, 5, and 14 of Part 1 shall be removed;

pararaph 2 shall be removed;

c) second sentence of Article 25.2 shall be worded as follows:

"The specificity of the remuneration payment in this case are determined by Article 42 of this Law and the Law of Ukraine "On the Efficient Management of Property Rights of the Copyright and (or) Related Rights Subjects".

d) paragraph two of Article 42 shall be worded as follows:

"It is allowed to reproduce at home and for personal purposes only works and performances recorded in phonograms, videograms, as well as reproduction of literary, photographic, artistic and other similar works without the consent of subjects of copyright and (or) related rights, but with paying them a remuneration in the manner prescribed by law. The specificity of the remuneration payment in this case are determined by the Law of Ukraine "On the Efficient Management of Property Rights of the Copyright and (or) Related rights Subjects";

paragraphs 4 — 7 shall be removed;

e) in Article 47:

paragraph 1 shall be supplemented by the following sentence:

“Legal basis of collective management organizations’ activity are defined by the Law of Ukraine "On the Efficient Management of Property Rights of the Copyright and (or) Related Rights Subjects”;

paragraphs 2 — 5 shall be removed;

f) articles 48 i 49 shall be removed;

g) paragraph “a” of Article 50 shall be worded as follows:

a) actions taken by any party in violation of the personal non-property rights of the copyright and (or) related rights subjects defined by Articles 14 and 38 hereof and their property rights defined by Articles 15, 17, 27, 39-41 hereof, with due regard of terms of use of objects of copyright and (or) related rights envisaged by Articles 21—25, Article 42, 43 hereof, non-fulfilment of the requirements of Article 19.3, Article 22.3 of the Law of Ukraine "On the Efficient Management of Property Rights of the Copyright and (or) Related Rights Subjects", as well as the abuse of official position by the officers of the collective management organization resulting into non-payment or inappropriate distribution and payment of remuneration to the rightholders ”;

h) sub-paragraph «d» of paragraph two of Article 52 shall be worded as follows:

«d) payment of compensation determined by the court as a lump sum on the basis of such elements as doubled, and in case of intentional violation - as a triple amount of remuneration or commissions that would have been paid if the offender applied for permission to use the disputed copyright or related rights instead of indemnity or revenue collection»;

3) in the Law of Ukraine "On the National Council of Ukraine on Television and Radio Broadcasting" (Vidomosti Verkhovnoi Rady Ukrainy, 2005, No. 16, Article 265, as amended), a following paragraph 14 shall be added to the Article 13.

"supervision of fulfilment by the broadcasting organizations of the requirements in regards to providing reporting data (reports) on the use of objects of copyright and related rights, namely, musical works, audiovisual works, phonograms (videograms) and recorded performances used in television and radio broadcasting of the broadcasting organization”;

4) in the Law of Ukraine "On Television and Radio Broadcasting" (Vidomosti Verkhovnoi Rady Ukrainy (VVR), 2006, No. 18, art. 155; 2014, № 12, p. 178; 2015, № 45, p. 409) a following part 3 shall of be added to the Article 59 :

«3. The broadcasting organization shall annually, by March 31, submit to the central executive body, ensuring the development and implementation of state policy in the field of intellectual property, a report for the previous (reporting) year of the activity on the use of objects of copyright and related rights, namely - musical works, audiovisual works, phonograms (videograms) and recorded performances in them - in television and radio broadcasting”;

5) in the Law of Ukraine "On Public Associations" (Vidomosti Verkhovnoi Rady Ukrainy, 2013, No. 1, art. 1, as amended), part six of Article 3 shall be supplemented by the following second paragraph:

"For public associations having the status of collective management in accordance with the Law of Ukraine “"On the Efficient Management of Property Rights of the Copyright and (or) Related Rights Subjects", the lack of property interest of their members provides the payment in benefit of members (rightholders) after remuneration distribution by the collective management organization”.

6) in passage two of paragraph 3 of Section II “Final and Transitional Provisions” of the Law of Ukraine “On Introducing Changes to Some Laws of Ukraine” (Bulletin of the Verkhovna Rada of Ukraine, 2017, No. 3, Art. 25) the words and figures “1600 hryvnias” shall be replaced by the words and figures “a minimum subsistence level for able-bodied persons established as of January 1 of the calendar year, beginning January 1, 2017.”

7. The Cabinet of Ministers of Ukraine shall:

1) within six months after this Law comes into force prepare and submit to Verkhovna Rada of Ukraine propositions on bringing the laws of Ukraine in compliance with this Law;

2) within three months after this Law comes into force bring its normative legal acts into compliance with this Law;

3) within three months after this Law comes into force ensure that the ministries and central executive authorities bring their normative legal acts into compliance with this Law;

4) within three months after this Law comes into force ensure adoption of normative legal acts stipulated by this Law;

5) within three months after this Law comes into force take measures to bring the activities of a state organization whose constituent documents foresee the exercise of collective management of property rights in accordance with the requirements of this Law.

President of Ukraine

P.POROSHENKO

Kyiv
May 15, 2018
№ 2415-VIII