

Regulations

On Public Performance Remuneration Rates for Compositions/Performances/Phonograms, for the Musical Compositions (with and without Text), Fragments of Musical Dramatic and Other Works.

These Regulations were developed in accordance with Georgian Law on Copyright and Related Rights and Charter of Georgian Rightholders Association (GERA) and sets the remuneration rates for compositions/performances/phonograms of the published musical compositions (with and without text), among them, in a form of karaoke, as well as public performance of the fragments of musical-dramatic compositions and other compositions and public performance of musical compositions (with and without text), in the course of public demonstration of audiovisual works.

Part I

General Provisions

1. Terms use in these Regulations shall have the following meanings:

Compositions – published musical compositions (with and without text), fragments of musical-dramatic compositions and other works, rights to which are managed by GERA on collective basis and public performance of which is provided by the users, among them, at a time of public demonstration of audiovisual works.

Data about the rightholders, rights transferred to GERA's management, as well as about the compositions are posted by GETA at: www.gera.ge.

Compositions imply also all musical compositions (with and without text) and fragments of musical-dramatic compositions rightholders of which have not made agreements on transfer of management authorities to GERA and at the same time they have not excluded their rights and/or compositions from GERA's management, according to the law (data about excluded rights and/or compositions are posted at GERA's site: www.gera.ge).

Public Performance – presentation of the compositions through live performance or using technical means, as well as demonstration of audiovisual works (accompanied with sound) at the places open for free attendance or where there is present significant number of individuals not belonging to the common family circle, irrespective of whether perceiving of the composition occurs at the place of their performance or demonstration or any other place, simultaneously with performance or demonstration of the works or not, for the purpose of profits generation or without such purpose.

Live performance – public performance of the compositions in real time, by the artists, performers, performing collectives (in a form of singing, playing musical instruments etc.).

Phonogram – Record of the performance sounds, other sounds or signals expressing the sounds.

Technical equipment – technical devices making the compositions perceivable for the audience, including (but not limited to) TV, radio, computer, musical center, karaoke equipment, juke box and other equipment transmitting sound.

Users – legal entities or natural persons, among them the persons engaged in entrepreneurial activities without incorporation of legal entities, state and local self-government authorities organizing public performance of compositions.

Audition area – area where the public performance of the composition organized or implemented by the users can be perceived.

Site – movable or immovable property, among them the land parcel (irrespective of existence of cadaster registration) held by the user through the title, lease or other property or contract law rights and in the territory of which the user organizes or carries out public performance of the composition or site not belonging to the user but where user organizes public performance of the composition.

Remuneration for the compositions/performances/phonograms – amount of money payable by the user for the right transferred on the basis of license agreement with GERA, to use the composition through public performance, as well as agreement on payment of compositions/performances/phonograms remuneration for public performance of musical compositions (with or without text) at a time of public performance (demonstration) of audiovisual works, in the event of both, paid and free entry of the audience into the site building (territory) where the public performance of the composition takes place. Compositions/performances/phonograms remuneration rates do not depend on number of compositions that are performed publicly and length of their performance.

Rates – amount of remuneration for the compositions/performances/phonograms and/or rules of calculation thereof, as provided for by these Regulations.

Event – cultural-educational, entertainment or other organized action, in the course of which public performance of the composition is provided.

Karaoke form – form of composition presentation for amateur singing, using technical equipment allowing performance together with the text and/or picture or without them.

Karaoke equipment – technical equipment allowing the user public performance of compositions in Karaoke form. Compositions/performances/phonograms remuneration rates and payment regulations for each user shall be stated by the license agreement made between GERA and user, based on the rates and minimal remuneration for compositions/performances/phonograms calculated in accordance with these Regulations.

Association – NELP Organization for Management of Copyright and Related Rights on Collective Basis – Georgian Rightholders Association (hereinafter referred to as GERA), established for protection and management of the copyright and related rights holders, their successors and assignees. Association is non-entrepreneurial, non-profit legal entity from the date of its state registration. Association's existence, management and operation shall be in accordance with the Association's charter, Constitution of Georgia, effective Georgian legislation and generally accepted international principles. Association was established for unlimited term and it operates without any territorial restrictions.

Part II

Rates of Remuneration for Compositions/Performances/Phonograms

Rates of remuneration for compositions/performances/phonograms:

- 1) For public performance of the compositions at cafes, bars, coffee shops and public catering facilities (entities) are specified in Annex 1;
- 2) For public performance of the compositions at musical, night and other clubs and gambling zones (casinos) are specified in Annex 2;
- 3) For public performance of the compositions at bowling, curling, billiard halls, amusement machines' halls, computer clubs, internet-cafes, amusing-gaming zones, quest premises, labyrinths, trampoline centers, rock-climbing halls, children's amusement centers and similar are specified in Annex 3;
- 4) For public performance of the compositions at shopping entities, shopping areas and shopping facilities are specified in Annex 4;
- 5) For public performance of the compositions at hotels, guest-houses, motels, hostels, camping, resort complexes, boarding guest houses, rest houses and bases, recreation and sports camps etc. are specified in Annex 5;
- 6) For public performance of the compositions at sports and sports & recreation facilities, clubs and centers (fitness clubs, gyms, stadiums, skating rinks, roller rinks, water parks, skate parks, cycle tracks, ski trails, ice halls etc., as well as at a time of sports competitions are specified in Annex 6.

Part III

Details of Use of the Remuneration Rates for Compositions/Performances/Phonograms

1. If the legal entity or natural person owns several sites in the territory of which various entrepreneurial activities are conducted, then the remuneration for compositions/performances/phonograms for given user shall be the sum of remunerations calculated based on the rates specified in the relevant annex.
2. If performance of compositions is provided by one legal entity or individual entrepreneur at several sites, then the remuneration amount for compositions/performances/phonograms for given user shall be calculated as the sum of remunerations for audition area at each site.
3. In the event of performance of compositions using the juke boxes, the remuneration for compositions/performances/phonograms shall be paid by the owner (lessee) of the site in the territory of which the public performance has taken place.
4. Calculation of the remuneration for compositions/performances/phonograms in the event of public performance of the composition only by means of the juke box, remuneration for compositions/performances/phonograms shall be provided based on the rates for the entity in the territory of which the equipment is located, for use of the juke box no additional amount is charged.
5. If the remuneration rates for compositions/performances/phonograms are not specified in these Regulations, calculation of remuneration for compositions/performances/phonograms shall be provided based on analogy with these rates or with the rates, stated by the other accredited organizations for collective management of the rights.

Part IV

Correction Coefficients

Remuneration rates for compositions/performances/phonograms specified in the annexes to these Regulations were adopted with the following correction coefficients. In calculation of the remuneration for compositions/performances/phonograms the following correction coefficients may be applied:

1. Incentive coefficient – reduced correction coefficient applied to the rates for the users with whom the license agreement is made for the first time.

Incentive coefficient amounts to:

0.9 – applied in case of execution of agreement with GERA, within 20 (twenty) calendar days from the date of notification;

0.8 – applied to the users who requested to make agreement so that GERA has not given notification to such users; Application of the incentive coefficient shall be executed through supplementary agreement to license agreement stating the scopes and conditions of incentive coefficient.

Incentive coefficient shall be effective for 12 (twelve) months from the date of effectiveness of license agreement, in some cases its term can be extended.

2. Network coefficient – reducing correction coefficient taking into consideration the number of sites in the network.

Within the scopes of these Regulations, the following can be regarded as network (network user):

- 1) Legal entity or individual entrepreneur providing public performance of the compositions at the entities of the same category located at different addresses (Part III of these Regulations.
- 2) Legal entity or individual entrepreneur carrying out the activities under single trademark or commercial mark in the premises at different addresses or facilities of different categories located at different addresses.

2.1 For the users specified in Sections 1) and 2) the network coefficient shall be applied.

Network discount	
Number of sites	Discount
1 - 5	5%
5 - 10	10%
11 - 20	15%
21 - 100	20%
101 - 300	30%
300 - 500	35%
500 <	40%

2.2 Network coefficient shall not be applicable if, within 30 (thirty) calendar days from the date of GERA’s written proposal of license agreement the user fails to sign it.

3. Regional coefficient – reduced correction coefficient value of which depends on the population in the city, town or settlement of the user’s site (premises, territory) where public performance takes place.

Regional discount	
Population	Discount
250 thousand- 1 million	5%
200 - 250 thousand	15%
150 - 200 thousand	20%
100 - 150 thousand	25%
50 - 100 thousand	30%
10 - 50 thousand	35%
0 - 10 thousand	40%

3.1 The following regional coefficients are applicable to the rates specified in these Regulations:

- For the users located out of borders of the settlement the coefficient corresponding to the population of the nearest settlement shall be applicable;

- For the users in the shopping centers located in the settlements that, in turn, are located in the vicinity of larger settlements, the coefficient for the larger settlement with greater population shall be applicable.

4. Application of the correction coefficients

Correction coefficients provided for by these Regulations are not added. They shall be applied to the remunerations for compositions/performances/phonograms calculated according to the relevant annex, in the following order: initially, incentive coefficient, further the network and further – regional coefficient.

5. Correction coefficients specified in sections 1-3 of Part IV shall not be applicable to:

5.1 The rates calculated as income percentage;

5.2 For the users engaged ongoing civil, administrative or criminal cases procedures related to unlawful use of the compositions as of the date of agreement with GERA. No correction coefficients shall be applicable to such users.