**NGO UACRR under new attack**

On January 28, 2021 the International Intellectual Property Alliance (IIPA) whose members are 5 associations, among which there are, in particular, associations of publishers and recording studios published its comments.

They were submitted to the United States Trade Representative within the framework of preparing the Special 301 Report.

The comments, in particular, state the following:

"One disappointment in 2020 was the decision to allow non-accredited CMOs— including UACRR (for musical compositions)—to continue operations. UACRR, for example, has paid no monies to American rights holders".

The misinformation could be included in the IIPA report only under initiative of certain Ukrainian publishers.

We are sure that it was initiated in order to mislead not only Ukrainian authors, but also the world community and to keep the biggest authors’ society from getting accreditation.

We address the IIPA and state that Ukrainian publishers misled you and provided you with false information, accusing NGO UACRR of non- payment of royalties to foreign authors.

Finally, the absence of any letters of claim and lawsuits from Ukrainian publishers makes it clear that all allegations of missing payments are groundless. The purpose is to manipulate the IIPA’s and the Ministry of Economy officials’ opinion to gain control over royalties and legitimize the unlawfully conducted accreditation.

We urge our opponents to refrain from any further manipulation, because such actions discredit not NGO UACRR, but, above all, those who initiate them.

As of today, NGO UACRR has already transferred almost UAH 3 million to American authors under cooperation with similar American CMOs on the basis of reciprocal representation agreements. Another part of payments is under preparation until the matter of avoidance of double taxation is resolved.

NGO UACRR is the only CMO in Ukraine that has such agreements with American CMOs like ASCAP, BMI, SESAC, HFA.

Moreover, according to the international standards NGO UACRR pays the publisher’s share to the sub-publishers in Ukraine.

These are Ukrainian companies authorized on behalf of such publishers as Universal Music Publishing Group, Sony/Atv, Warner Chappell in particular, to receive the share form the royalties collected by the authorized CMO for using relevant musical works.

NGO UACRR has paid UAH 1,8 mln in total to the respective Ukrainian companies. These very companies shall transfer the remuneration received from NGO UACRR to the final beneficiaries.

It should be emphasized that the activity of NGO UACRR was restricted in certain spheres of collective management during 9 months by the note in the register of CMO, which is not foreseen by applicable legislation.

The mentioned circumstance had a negative impact on the NGO UACRR’s activity. That is why the international authors’ community supported the unblocking of the operation of the largest CMO of Ukraine, which manages the rights over 4 million authors worldwide, in particular in letter to the President of Ukraine.

With a view to protect our business reputation, in order to inform the public and to stop manipulation we publish information on the royalties’ payments made by NGO UACRR to American rightholders from the second half of 2018 to 2020.

2018, page 24 of the Report <http://uacrr.org.ua/assets/storage/149/zvit-pro-diyalnist-organizacii-kolektivnogo-upravlinnya-go-uaasp-2018-i-auditorskij-zvit-go-uaasp-2018(2).pdf> :

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 3. | 1 126 850,28 | Public performance, Broadcast (proprietary copyright) | Public performance and Broadcast during guest tours | BMI (USA) |

2019, page 42 of the Report <http://uacrr.org.ua/assets/storage/149/zvit-pro-diyalnist-organizacii-kolektivnogo-upravlinnya-go-uaasp-za-2019-rik.pdf> :

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 2. | 1 297 360,23 | Public performance, Broadcast (proprietary copyright) | Public performance, Broadcast of the works by TV and radio broadcasting companies, by promoters of the guest tours, food and drinks venues, night clubs, hotels | BMI (USA) |

**Information on NGO UACRR’s payments to American CMO and sub-publishers for 2018-2020, thousand UAH**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **CMO** | **2018** | **2019** | **2020** | **Total amount, thousand UAH** |
| **BMI** (USA) | 1 127 | 1 297 | 503 | **2 927** |
|  |  |  |  |  |
| **PUBLISHERS** | | | | |
| Comp Music Publishing | 915 | 126 | 110 | **1 151** |
| Best Music | 0 | 0 | 378 | **378** |
| Svitova Muzyka | 149 | 0 | 113 | **262** |
| **Total publisher, thousand UAH** | **1 064** | **126** | **601** | **1 791** |

The IIPA Report also states the following:

"In December 2020, the accreditation commission met to continue CMO accreditations. Accreditations of OKUASAP (public performances) and A&P (broadcasting) were forwarded to but not finalized by the MEDTA. As of January 1, 2020 CMOs can collect for broadcasting and public performances of musical works, so these CMOs need to be finalized without delay to avoid lost revenues".

IIPA’s standing regarding accreditation in the spheres of public performance and broadcast of musical works is very surprising as the International Confederation of Societies of Authors and Composers (CISAC) at the end of the last year addressed the Minister of Economy Mr. Igor Petrashko, expressing their concern over the results of the competitions of 17.12.2020 in the foregoing spheres, more details by the following reference <http://uacrr.org.ua/news/zanepokoennya-cisac-shhodo-rezultativ-procesu-akreditacii-organizacii-kolektivnogo-upravlinnya.html> This letter represents the position of international authors’ community including the American CISAC members ASCAP, BMI, SESAC that jointly manage the rights of about 2 million of American rightholders.

We hope that this misunderstanding which apparently was caused by systematic provision of inaccurate information by certain unscrupulous opponents interested in a non-transparent and illegal accreditation will be resolved positively as soon as possible.