

ROYALTY TARIFF FOR BROADCASTING AND TRANSMISSION OF BROADCASTS, 2019

1) Introductory provisions

- 1.1 This tariff provides for royalty rates of the collective management organization called OSA - Ochranný svaz autorského práva k dílům hudebním, z.s. (hereinafter referred to as “OSA”) for granting licenses to use musical works of authors and other rights holders whose rights are managed by OSA (hereinafter referred to as “OSA Repertoire”), within the use in the form of broadcasting under Section 21 of Act No. 121/2000 Sb., the Copyright Act, as amended (hereinafter referred to as “CA” or “Copyright Act”).
- 1.2 For the purposes of this tariff, a **musical work** means a musical work and a literary work used in combination with a musical work.
- 1.3 Royalty rates are indicated net of VAT, which is added at the basic rate in accordance with the general legislation.
- 1.4 The minimum royalty is considered the minimum value of OSA Repertoire regardless of the scope of use of OSA Repertoire.
- 1.5 From 1 January 2020, the royalty rates and minimum royalties expressed in the nominal amount in CZK (i.e. not expressed by a percentage) will be annually increased from the start of the year by the inflation rate for the previous year. According to 98f CA, the inflation rate means the increase of the average annual goods and services consumer price index for households in total, expressed as a percentage change in the average price level for the last 12 months compared to the average for the previous 12 months, expressed as a percentage, as published each calendar year by the Czech Statistical Office for the previous year. After the inflation rate under the previous sentence has been published, the royalty rates in force for the year concerned will be quantified in the tariff for the next year.
- 1.6 Situations not provided for in this or any other tariff shall be resolved by agreement.
- 1.7 Royalty rates are fixed for each commenced calendar month of use unless otherwise stated.
- 1.8 This tariff replaces all previous tariffs which provided for royalty rates for granting licenses to use the works specified herein.
- 1.9 This tariff comes into force and takes effect on 1 January 2019.

2) Television broadcasting

- 2.1 **Television broadcaster** means every operator of terrestrial or non-terrestrial (by cable, satellite, IPTV or similar technology) television broadcasting who makes musical works available and, at the same time, is considered a broadcaster under Section 21 CA.
- 2.2 A household is deemed to consist of 3 persons.
- 2.3 The royalty is determined as a percentage of broadcaster’s gross sales according to table A but at least in the amount of the minimum royalty under tables B and C.
- 2.4 Royalties laid down in tables B and C apply to non-stop broadcasting. Where the broadcasting is shorter, the minimum royalties are reduced proportionally.

Table A: Final amount of royalty according to broadcaster’s gross sales

Share of music in broadcasting	up to 9%	10-29%	30-44%	45-64%	65-79%	80-100%
Royalty percentage	0.19%	0.78%	1.35%	1.95%	2.74%	3.50%

Where the license includes an authorization of synchronization, 0,5% is added to the final royalty percentage.

Table B: Calculation of the 2019 monthly minimum royalty for one station in the case of terrestrial broadcasting

Broadcasting population coverage	Share of music in broadcasting					
	up to 9%	10-29%	30-44%	45-64%	65-79%	80-100%
86-100%	CZK 15,907	CZK 31,709	CZK 47,512	CZK 63,314	CZK 84,350	CZK 105,385
66-85%	CZK 14,233	CZK 28,465	CZK 42,698	CZK 56,931	CZK 75,978	CZK 94,919
40-65%	CZK 11,093	CZK 22,186	CZK 33,279	CZK 44,267	CZK 59,024	CZK 73,780
20-39%	CZK 9,523	CZK 19,047	CZK 28,465	CZK 37,988	CZK 50,652	CZK 63,314
6-19%	CZK 6,383	CZK 12,662	CZK 19,047	CZK 25,326	CZK 33,802	CZK 42,174
1-5%	CZK 4,814	CZK 6,383	CZK 9,523	CZK 12,662	CZK 16,954	CZK 21,140
up to 1%	CZK 3,244	CZK 4,290	CZK 4,814	CZK 6,383	CZK 8,476	CZK 10,569

A discount of 10% of the minimum royalty is provided for the second simultaneously terrestrially broadcasted station of the same broadcaster under one agreement and a discount of 20% of the minimum royalty is provided for the third and subsequent TV stations.

Table C: Calculation of the 2019 monthly minimum royalty in the case of non-terrestrial and combined broadcasting

The monthly minimum royalty amounts to CZK 41 for every 1,000 subscribed households in the case of non-terrestrial broadcasting (by cable, satellite, IPTV or similar technology), and to CZK 61 for every 1,000 subscribed households in the case of music channels, all with respect to each broadcasted station of the same broadcaster but always in the minimum amount of CZK 3,244 per station per month.

A discount of 10% of the minimum royalty is provided for the second simultaneously broadcasted station of the same broadcaster under one agreement and a discount of 20% of the minimum royalty is provided in the case of three and more simultaneously broadcasted TV stations.

Where a station is broadcasted terrestrially and simultaneously in any other form, the minimum royalty is equal to the higher of the amounts calculated in accordance with Table B and Table C.

3) Radio broadcasting

- 3.1 **Radio broadcaster** means every operator of terrestrial or non-terrestrial (by cable, satellite or similar technology) radio broadcasting who makes musical works available and, at the same time, is considered a broadcaster under Section 21 CA.
- 3.2 **The royalty is determined as 4.7% of broadcaster's gross sales for each radio station** but at least in the amount of the minimum royalty under table A according to the number of licenses granted to the broadcaster for one radio station by the Council for Radio and Television Broadcasting (hereinafter referred to as "CRTB").
- 3.3 The term **radio station** includes a network of radio stations with an identical programming, including any regional program deviations such as advertising or news breaks.
- 3.4 The basic rate of the royalty already takes into account the 0-19% share of spoken word in broadcasting which may be ordered to the broadcaster by the CRTB.
- 3.5 Royalties laid down in this tariff apply to non-stop broadcasting. Where the broadcasting is shorter, the minimum royalties are reduced proportionally.
- 3.6 **CRTB license** means each license granted to the radio broadcaster by the CRTB for 1 radio station, authorizing the broadcasting by a transmitter of at least 500 W, or lower where it is not a license for a transmitter used to boost the signal of another transmitter (the so-called additional transmitter) for the broadcasting of the same radio station.
- 3.7 The discount for the minimum share of spoken word in broadcasting specified in the CRTB license according to table B hereof may be claimed only where the actual share of spoken word in broadcasting complies with the determined range.
- 3.8 In the case of new technologies with a limited listener base (e.g. **digital radio broadcasting DAB-T or transmission by cable**), it is possible to grant a 50% discount on the minimum royalty specified in table A. In the case of stations with local coverage by a single transmitter of not more than 200 W (e.g. municipal radio broadcasting), it is possible to grant an 80% discount on the minimum royalty specified in table A.

Table A: 2019 minimum amount of monthly royalty according to the number of licenses granted by CRTB for one radio station

Number of CRTB licenses	Amount of minimum royalty	
1st license	CZK 10,465	The broadcaster is entitled to apply, in the light of its gross sales, for a minimum royalty higher than the amount that would be determined under this table (see table C).
2nd license	CZK 17,791	
3rd license	CZK 21,977	
4th license	CZK 29,303	
5th license	CZK 36,628	
6th license	CZK 43,954	
7th license	CZK 49,187	
8th and subsequent license	CZK 52,326	

Table B: Discount for the minimum share of spoken word in broadcasting specified in the CRTB license	
Minimum share of spoken word in radio station broadcasting	Percentage discount on the royalty for a radio station
20-34%	15%
35-49%	30%
50-69%	45%
70-89%	65%
90-99%	85%

Table C: Discount for payment of a higher minimum royalty
<p>category A. Where the broadcaster pays at least CZK 100,000 net of VAT a month as a non-refundable monthly minimum royalty for one radio station, OSA will grant the broadcaster a discount of 9%. Where the broadcaster pays at least CZK 200,000 net of VAT a month as a monthly minimum royalty for one radio station, OSA will grant the broadcaster a discount of 11%.</p> <p>category B. In the case of a broadcaster of multiple radio stations with the minimum royalties amounting in total to at least CZK 200,000 a month, OSA will grant the broadcaster a discount of 6%.</p> <p>The discounts specified under categories A and B of this table cannot be combined, i.e. the broadcaster has to choose only one of the discount categories.</p>

Table D: 2019 minimum royalty paid for an Internet radio							
Scope of use of musical works a day	Maximum number of simultaneous listeners (from all radio servers)						
	A	B	C	D	E	F	G
	50	50	125	250	500	500+	500+
Minimum monthly royalty (in CZK)							
up to 4 hours	CZK 204	CZK 255	CZK 511	CZK 766	CZK 1,021	CZK 1,276	CZK 184
4-12 hours	CZK 408	CZK 511	CZK 1,021	CZK 1,532	CZK 2,042	CZK 2,553	CZK 306
12-24 hours	CZK 817	CZK 1,021	CZK 2,042	CZK 3,063	CZK 4,084	CZK 5,105	CZK 613
Category A may be applied only to non-commercial broadcasting.							
Category G applies to the second and subsequent station in the case of multiple station broadcasting under a single heading (the so-called multi-license).							

4) Transmission of broadcasts and simulcasting

- 4.1 **Broadcast transmission operator** means every subject which makes musical works available under Section 22 CA by simultaneous, complete and unchanged transmission of broadcast of the work by radio or television, by wireless means or by wire, provided that the transmission is carried out by a subject other than the broadcaster.
- 4.2 The royalty for transmission of broadcasts is determined as a **fixed rate for one connection or household under table A** regardless of the price for which the service is offered to the public, the broadcast transmission technology used or the scope of program schedule.
- 4.3 A household is deemed to consist of 3 persons.
- 4.4 **Simulcasting operator** means a subject which carries out simultaneous, complete and unchanged transmission of radio and television broadcasts via the Internet and is, at the same time, a broadcaster of the original terrestrial or non-terrestrial broadcasting. The royalty applicable to a broadcaster who has already entered into an agreement with OSA amounts to CZK 12,252 a calendar year.

Table A: Calculation of monthly royalty for transmission of broadcasts	
Period of use (calendar year)	Monthly royalty for one connection (or household)
2019	CZK 6.45