

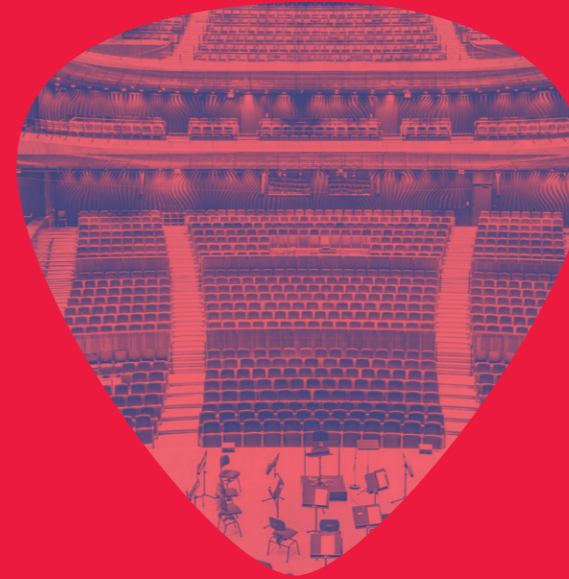
**we are thinking
of music**

OSA 2020 YEARBOOK



ASSISTANCE TO OUR CLIENTS HIT BY THE CORONA CRISIS IN 2020

**we are thinking
of music**



Authors

Nearly CZK 10 million paid as non-repayable aid to almost 1,000 authors affected by the concert ban.



Music users

We exempted establishments from royalties beyond the days when they were closed.



Web www.osa.cz/covid-19

We have established a special OSA website section – an advisory centre for authors, publishers and users concerning compensations by OSA and government support programmes.

For more information see page 44.

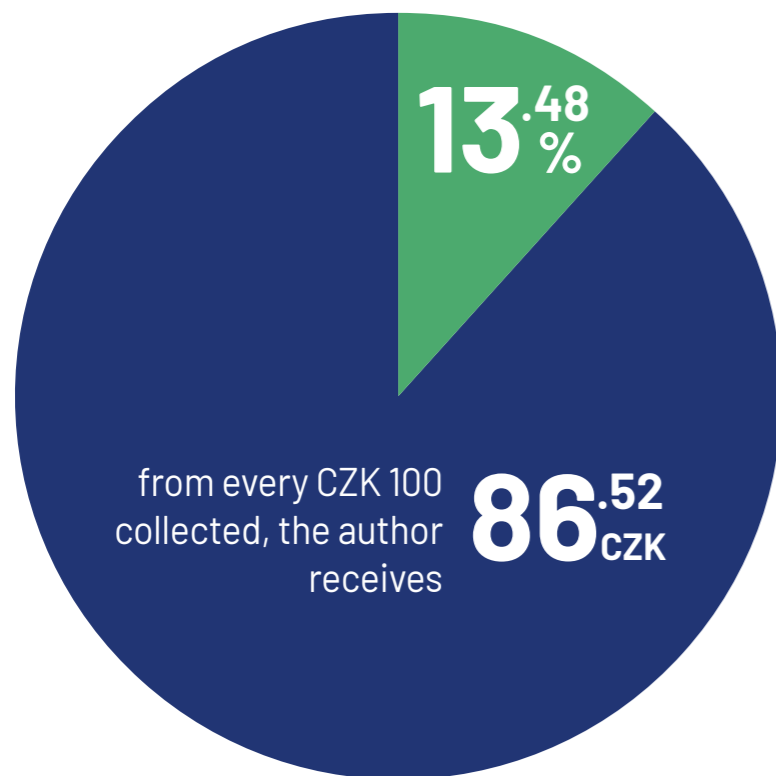
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**OSA IN
NUMBERS
OF 2020**

For Czech and foreign composers, lyricists and music publishers, OSA collected:

CZK 987 291 000







average cost deduction to cover OSA's costs



YEAR-ON-YEAR COMPARISON OF PRINCIPAL ECONOMIC INDICATORS 2020/2019

REVENUES COLLECTED FOR OSA AND FOREIGN RIGHTS HOLDERS	987,291 thous. CZK	-131,157 thous. CZK	-11,73%	↘
TOTAL REVENUES COLLECTED FOR ALL COLLECTIVE MANAGEMENT ORGANIZATIONS	1,152,748 thous. CZK	-233,920 thous. CZK	-16,87%	↘
TOTAL COSTS	155 425 thous. CZK	-12 984 thous. CZK	-7,71%	
COSTS AS A PERCENTAGE	13,48%		+1,34%	

STRUCTURE OF REVENUES OF AUTHORS AND PUBLISHERS

	2020	difference 2020/2019		
		in CZK	in %	
 Public performances in total	221,645,000	-225,541,000	-50,44%	↘
Live performances	94,869,000	-104,352,000	-52,38%	
Background music	119,434,000	-110,538,000	-48,07%	
Cinemas	7,342,000	-10,651,000	-59,20%	
 Broadcasts and online media in total	572,539,000	+102,707,000	+21,86%	↗
Radio broadcasts	76,081,000	+7,000	+0,01%	
Television broadcasts	310,281,000	+72,712,000	+30,61%	
Cable retransmission	104,450,000	+140,000	+0,13%	
Internet, mobile and similar networks	81,727,000	+29,848,000	+57,53%	
 Mechanics and audiovision in total	103,707,000	-4,436,000	-4,10%	↘
Physical media	15,010,000	-1,837,000	-10,90%	
Renting, leasing	4,880,000	+106,000	+2,22%	
Private copying	83,817,000	-2,705,000	-3,13%	
 Agency representation for authors in total	5,998,000	-1,096,000	-15,45%	↘
Synchronization	2,622,000	+1,043,000	+66,05%	
Theater performances	3,053,000	-2,353,000	-43,53%	
Other (sheet music etc.)	323,000	+214,000	+196,33%	
 Collected from abroad	75,653,000	-3,365,000	-4,26%	↘
 Other income	7,749,000	+574,000	+8,00%	↗

MACROECONOMIC VIEW

MACROECONOMIC PERSPECTIVE, IMPACT OF COVID-19 PANDEMIC ON CZECH ECONOMY AND AVERAGE RESIDENTS' EXPENSES ON MUSIC ROYALTIES IN 2020

Royalties are reflected in final prices in various economic sectors. As far as the collection of OSA royalties is concerned, in terms of Macroeconomic indicators, it can be stated that in 2020, each Czech household spent CZK 20.83 per month, including 21% VAT, on royalties, or that the average spending on royalties per economically active inhabitant of the Czech Republic in productive age, i.e. aged 20–64, was CZK 18.56, including 21% VAT.

CZK 20.83

This is the monthly spending of a Czech household on music royalties.

In comparison – a full price public transport ticket for 30 minutes on a business day in Prague was CZK 24, and CZK 24 for 45 minutes in Ostrava. In 2020, the average price of Natural 95 petrol was CZK 28.21 per litre and CZK 28.00 per litre of diesel fuel. And, for example, the average price of bottled draught beer (formerly 10° beer) in shops in 2020 was CZK 11.62. In 2020, the minimum wage was CZK 14,600 which translates to an hourly rate of CZK 87.30 with a 40-hour work week. An employee working for a minimum wage had to work 12 minutes 46 seconds a month to cover the average royalty expense. For the whole of 2020, the average wage reached CZK 35,611. A person working for an average wage had to work 5 minutes and 15 seconds a month to cover music royalties.

CZK 35,611

average wage in 2020

In 2020, the year affected by the coronavirus pandemic, the Czech economy experienced the deepest plunge since the establishment of the independent Czech Republic. The GDP drop by 5.6% was caused mainly by reduced household consumption, the slump in international demand in the first half of the year and lower investment expenditure. The European Union as a whole did worse than the Czech Republic last year, its GDP having decreased by 6.4%. In Eurozone countries, the drop was even more significant, reaching 6.8%.

Considering the circumstances in the course of the year, the GDP decrease rate is substantially above expectations. Government support, namely the Antivirus programme, which inhibited dismissals from companies, as well as other financial aids played a significant role in the overall economic result not being worse; however, these pushed the government budget down to a record deficit. Moreover, the German economy also prevented a deeper GDP drop. The impact of the autumn Pandemic wave on the Czech economy was smaller than in spring, mostly thanks to the industry, which started making up for the deficit of the spring months quickly in the rest of the year and the second pandemic wave did not affect it so much anymore. Although in April and May, industry lost approximately 30% year on year, at the end of the year, it reduced the deficit (thanks to more refined preventive measures and the connection to highly growing Germany) to the final 8% decrease. Still, it is the worst drop since the 2009 crisis. Last year, the sectors most affected by the pandemic and anti-pandemic measures included trade, transport, accommodation and hospitality. However, times were also hard for industry, construction and most services. On the other hand, information and communication activities were doing well, as well as the group of sectors including public administration, education, health and social care. The foreign trade balance ended up with a record surplus. Export decreased year on year by 4.5% and import by 5.9%.



GDP DROP

Retail proceeds excluding cars fell by 0.9% last year. Shops selling products for culture, sport and recreation as well as shops selling clothes and shoes experienced significant drops in sales (by 10.9% and 29.6%, respectively). On the contrary, sales of goods sold on the internet or via mail-order services grew the most (by 28.2%). The effects of the coronavirus pandemic were the worst for services, which plunged the most in the last twenty years (real decrease by 11.9%). Travel agency sales dropped by 74.8%, sales in air transport by 69.1%, and by 55.9% in accommodation. Accommodation and hospitality service providers experienced a decrease in sales of about forty percent last year. The situation was worse for hotels and guest houses, where the accommodation sales did not even reach a half of 2019 sales. There was approximately a one-third decrease in hospitality. In the film and music industry, sales plunged by 39.3%.

39.3%

sales drop in film and music industry

In 2020, the average wage increased by 4.4%, the least in the last four years, to CZK 35,611 which represents a year-on-year increment of CZK 1,500. If we take account of the consumer price increase, real wage strengthened by 1.2%. The number of working people fell by 87.5 thousand to 5,217.2 thousand (by 1.6%) year on year. General unemployment rate in the age group of 15-64 was 3.2% (year-on-year increase by 1.2%). Unemployment increased in younger age groups in particular. The number of unemployed people registered with the labour offices as of 31 December 2020 rose to 291,977 applicants year on year, i.e. 76,445 people more than a year ago. In international comparison, the Czech Republic thus kept the lowest unemployment rate in the EU at the end of the year. It has held the first place since summer 2016. Moreover, the restrictive government measures implemented during the covid-19 pandemic also led to a drop in the length of time worked, by 5.5% for employees and considerably more for entrepreneurs. In 2020, the average inflation rate reached 3.3%, which was 0.4% more than in 2019. It is the highest inflation rate since 2008. Last year, inflation was affected mostly by the increase in food and soft drink prices (by 4.5%) and higher housing prices (by 2.9%). Another influence was the increase in prices of alcohol and tobacco (by 7.6%). To a lesser degree,

inflation increase was also caused by rising prices of catering (by 5.4%) and accommodation services (by 2.2%). Prices in recreation and culture rose by 2.2% year on year.

2021 OUTLOOK

The future development of Czech economy will depend primarily on the measures and restrictions imposed by the government in fighting the pandemic, vaccination management, development of foreign demand and follow-up aids in the form of government programmes. Other key factors include trust in economy and the related recovery of national demand and the willingness to carry on business. Economists predict the Czech economy growth to be between 2.5 and 3%, meaning the Czech Republic may get to pre-pandemic values as late as in 2023.

Source: CSO, Labour Office, Czech News Agency (CTK), Investičníweb.cz, Kurzy.cz, Czech Economic Outlook for 2021 (Deloitte analysis)

3.3%

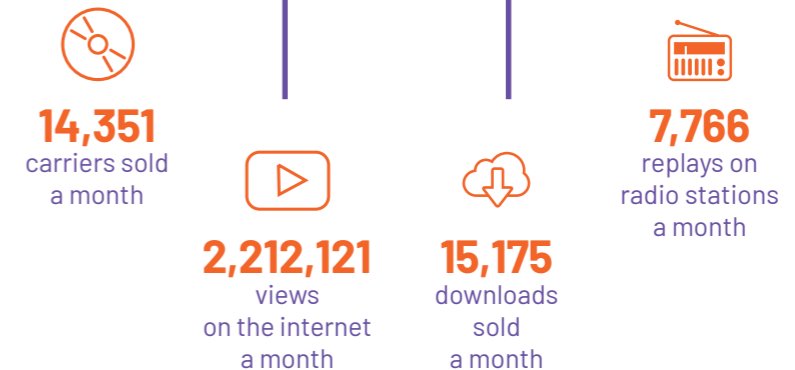
average inflation rate in 2020

To reach the minimum monthly wage, an author has to meet one of the following requirements:



minimum monthly wage

CZK 14,600



For the royalty to reach the minimum monthly wage in 2020, the authors had to sell either **14,351 units** a month (calculated based on the assumption the author has 1 piece of music on a CD with 12 pieces) or the piece of music would have to get **2,212,121 views** per month. In terms of music downloads, it would have to be sold **15,175 times**. And private national and regional stations including the Czech Radio stations would have to **play it 7,766 times** (calculated based on the average fee from the stations).

Model examples are based on the assumption that both music and lyrics were written by one author.

**REPORT OF
THE
SUPERVISORY
BOARD**



**-233,920
thous. CZK**

collection decrease mainly due to the pandemic

Dear colleagues,

this activity report of the Supervisory Board covers the fiscal period of 2020.

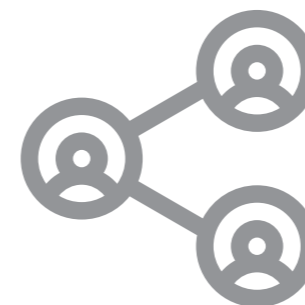
Introductory information: As at the date of this report, members of our three-member Management Board and the composition of the Supervisory Board remain unchanged since the last-year's elections. The Supervisory Board notes with regret that for serious health reasons, the chairman of the Supervisory Board Luboš Andršt has been unable to participate in the work of the Supervisory Board since December 2020.

Audit: The Association's Management Board is responsible for compiling the financial statements. The Supervisory Board is responsible for overseeing the process of financial reporting. A due audit was performed by the independent company APOGEO Audit, s.r.o., which did not find any deficiencies in OSA's accounting for the year 2020, and the information in the annual report of OSA's Management Board complies with the financial statements in all respects.

Economic results: Total revenues collected decreased by 16.87% (- CZK 233.920 thousand) year-on-year due to the pandemic situation.

Of which the revenues for granted licenses collected only for music authors decreased by CZK 131,731 thousand, i.e. 11.85%. This fairly good record was, however, strongly supported both by settlements for previous periods – in particular in the segments of television broadcasts and cable retransmission – and by received payments for use in 2019.

In 2020, OSA's costs were by 8% lower year-on-year and, despite the aforementioned decrease of revenues collected, the calculated average cost deduction (cost to revenue ratio) reached an acceptable level of 13.48%.



10,106

As of 31 December 2020, OSA represented 10,106 rights holders, 7,071 of whom were living authors, 2,887 heirs and 148 publishers.

The government measures taken in 2020 had terrible effects in particular on public performance of music. The affected fields included both the live music performance licensing which decreased by 52% year-on-year and the entire field of background music (including cinemas and jukeboxes for other domestic collective management organizations) with a year-on-year decrease by 48%.

On the contrary, the internet segment with its year-on-year increase by CZK 29,669 thousand, i.e. a jump by 57% compared to 2019, benefited the most from the coronavirus crisis. Also the television broadcasts segment achieved a large year-on-year increase of revenues collected. But this increase was considerably affected by the retroactively concluded settlements for prior periods. For more information and details please see chapter Economic Results on pages 63–71.

Member base: As at 31 December 2020, OSA represented on the contractual basis a total of 10,106 rights holders, of which 7,071 living authors, 2,887 heirs and 148 publishers. It accepted representation 444 new authors and 4 new publishers in the course of the year. As at 31 December 2020, OSA had 589 members, of which 422 composers, 91 lyricists, 27 publishers and 49 heirs. Since 1 January 2021, 22 new members have been accepted. Twelve members died in 2020. For more information, please see chapter OSA Clients on page 32.

Of those who fulfilled the conditions for membership, 20 authors (16 popular music authors and 4 lyricists) and 2 heirs have filed an application this year. This year's general assembly of OSA members will decide on these applications.

Supervisory Board activities: The leitmotif of last year was the support for represented authors who were affected by the coronavirus pandemic. In 2020, we paid out almost CZK 10 million in total, in the form of non-repayable aid, to authors directly affected by the prohibition of live music performances.

**After many long years,
we managed to negotiate
with broadcasters
a synchronization fee as
a separate item.**

At this year's general assembly, we are not presenting any fundamental changes, except for the point which amends the distribution for television broadcasting. After many long years, we managed to negotiate with broadcasters a synchronization fee as a separate item. For this reason, the synchronization fee will once again become a one-off sum. We propose to cancel the coefficient 5 and move all works currently falling under this coefficient to the coefficient 3 category. Under our proposal, each work broadcasted for the first time on television will have the coefficient 18. This means six times the regular royalty. Hence the coefficient is de facto a one-off synchronization royalty. This is another step towards creating the fairest possible distribution rules.

As we announced last year, the Office for the Protection of Competition (OPC) had imposed a fine on OSA in the case of taking account of the occupancy of hotel and spa rooms in the period from 2008 to 2014. OSA filed an appeal against this decision but it was dismissed by the OPC, the fine became final and OSA had to pay it. But we have very strong arguments and we believe that OSA did not commit the alleged abuse of dominant position and, therefore, we continue to defend ourselves before court. It is a long process but we are convinced, just like the lawyers representing OSA, that we will win the lawsuit.

State of emergency: The end of the report inevitably covers also the year 2021. Just like the rest of the world, we have entered the second year of the coronavirus pandemic. Cancellation of cultural events results in economic losses not only for performers but also for authors. The entire Supervisory Board considered it necessary and self-evident that an extra financial aid should be provided to authors in the pandemic situation as a partial compensation for the rapid drop in royalties from public concerts. Both in the first wave in spring and in the second autumn wave. We were happy that we could afford it thanks to the good management in the past.

Another problem was that our business partners were also considerably and seriously affected by the coronavirus pandemic. Although OSA has to act as a good businessman when collecting royalties, a crisis situation with economic effects, frequently bordering on existential threat, further requires human decency. Therefore, royalties were waived, on request, to those who had to close their stores, hairdressing salons, hotels or restaurants. It has to be mentioned that all decisions of the Supervisory Board were taken in accordance with the Statutes, Distribution Rules and other binding documents in force.

Despite the vaccination ongoing not only in our country but worldwide, it cannot be excluded that we will have to continue to live with the coronavirus and restrictive measures in 2021. The Supervisory Board, in cooperation with OSA's Management Board, will flexibly react to the situation and it will be certainly able to meet the challenges posed by this emergency situation.

For the Supervisory Board

Jolana Zemanová
Vice-Chairman of the SB

Michael Prostějovský
Vice-Chairman of the SB

Approved by the Supervisory Board on 30 March 2021.

**2020 AS SEEN
BY THE CHAIRMAN
OF THE
MANAGEMENT
BOARD**

SOLIDARITY, DECENCY, HUMILITY AND RESPECT

Last year I wrote that mutual solidarity among authors was – and still is today – one of the important pillars upon the establishment of OSA in 1919. We were fulfilling this dimension throughout last year as the world was gripped by the pandemic of coronavirus causing COVID-19 disease. Last year, in addition to standard royalties, we paid out solidarity financial aid of close to CZK 10 million to approximately one thousand domestic authors who were directly affected by cancellation of all music events and lost their jobs virtually overnight. We also felt solidarity with other sectors such as gastronomy and service operations which were affected similarly to performing arts. We waived royalties payable by the users who had to close their operations due to government measures for the period for which their operations were closed. We launched a special website for our authors as well as users' clients, containing up-to-date information on state support schemes. OSA pursues social responsibility. We used our best efforts to ensure the safest possible working environment for our employees and clients. Although our employees worked from home for a large part of last year due to government measures, the transition to online

Monthly payments were launched by OSA on 1st February 2021.

After many years of negotiations, a settlement for past periods was achieved with FTV Prima. The amounts for the period from 2013 to 2019 will be paid to music authors in the course of this year.

mode was smooth and there was no significant impairment to the high quality of our services which we provide to our authors and publishers. I would like to express my great thanks to our employees for this.

One of the basic principles we follow in OSA is to pay out royalties to our authors and publishers as fast and accurately as possible. Last year I reported that we were testing royalty distribution on a monthly basis. One year on, monthly payments were launched by OSA on 1 February 2021. There are only two collective management organizations in the world who are able to pay royalties to their authors and publishers on a monthly basis. They are KODA (a Danish organization similar to OSA) and our OSA. Beginning this year, we offer the so-called self-billing service to VAT payers and we have been pleasantly surprised at the interest taken in this service.

In terms of collections, the year 2020 was marked by a decline in revenues from concert productions and background music in public areas. Both these segments fell by 50%, which means in practice that authors and publishers lost CZK 215 million. Given the time difference between collection and payment of royalties, authors and publishers will be significantly affected by this decline in particular this year. Last year still generated some positive effects. After many years of negotiations, a settlement for past periods was achieved with FTV Prima. The amounts for the period from 2013 to 2019 will be paid to music authors in the course of this year.

Keeping overhead costs consistently low is not an easy task in standard economic circumstances, let alone in a year of the COVID-19 epidemic. Last year, we paid out royalties to almost 200 thousand authors and publishers from all over the world. Yet we managed to reduce the last-year's costs by CZK 13 million to the final amount of CZK 155 million. In practice, this means that in the difficult COVID year, we paid out to our authors and publishers, on average, the amount of CZK 86.50 from each CZK 100 collected.

OSA has become a sought after and attractive address for foreign partners representing big names of the music world and for foreign independent rights managers. We also have the trust of domestic authors. Last year, we entered into new rights management agreements with 444 music authors. And with additional 150 music authors only in the first three months of 2021. I believe that the trust of our authors and publishers as well as foreign partners is a sign that we are on the right track and that our services are of very high quality.

Last year, we entered into new rights management agreements with 444 music authors. I believe that the trust of our authors and publishers as well as foreign partners is a sign that we are on the right track and that our services are of very high quality.

I must mention the decision of the Office for the Protection of Competition (OPC) which imposed a fine on OSA in the amount of CZK 10,676 thousand on 18 December 2019. OSA had allegedly abused its dominant position as in the period from 2008 to 2014, it had not taken account of the room occupancy of accommodation establishments. The appeal filed by OSA with the chairman of the OPC was unsuccessful and the chairman upheld the original decision on 23 November 2020. OSA has paid the fine in accordance with the OPC's decision and, at the same time, filed an action against the decision. If the lawsuit is successful, the fine will be repaid to OSA.

Social life in the Czech Republic virtually stopped because of the COVID-19 epidemic. Performing arts looked for innovative alternative ways of reaching out to their audience by streaming concerts, festivals or theatre performances from empty clubs, theaters or even rehearsal studios directly to the living rooms of their fans.

Social life in the Czech Republic virtually stopped because of the COVID-19 epidemic. Performing arts looked for innovative alternative ways of reaching out to their audience by streaming concerts, festivals or theatre performances from empty clubs, theaters or even rehearsal studios directly to the living rooms of their fans. But this way lacks the basic emotion which is created by the performer directly and jointly by mutual interaction with the audience. For performers, the experience is even worse than for footballers or ice-hockey players playing without audience. It is not so great from economic point of view either, even though some managed to collect one-off higher amounts from voluntary contributions. It turns out that this concept is not viable in the long term, at least not in this form. A fundamental transformation may be brought about by an extension of the space in virtual reality. Our lives are increasingly shifting to the virtual world. It's just a matter of time before concerts of famous music stars appear in this space on a grand scale.

The virtual space very quickly permeates our real world. The world of the Internet mirrors our real life and, therefore, same rules have to apply there. We have to be very careful in adopting new laws in order to create a regulatory environment that will protect human society, i.e. all of us. If we underestimate this aspect, computer codes and algorithms, disinformation and identity thieves will acquire control of our society. We will become mere commodities, intensively and happily traded by tech companies.

The amendment to the Copyright Act will be the first and crucial test. The Czech Republic, just like the other member states, has to implement two European Union directives concerning the copyright. In terms of ensuring balance on the Internet between authors and artists and tech giants such as Google or Facebook, the Directive on Copyright in the Digital Single Market is important. If it is well implemented by

the Czech Republic and the politicians do not cave in to the pressure of tech giants and other pseudo-independent citizens' initiatives, the negotiating position of authors and artists will improve. Creation of a fair environment on the Internet is in our interest and it will eventually benefit the entire society. There will be more business opportunities for legal and innovative services, more space for young and emerging artists and we all will enjoy a larger variety of music, films or computer games.

I believe that our society can come out of the COVID-19 pandemic wiser, more responsible and self-confident. Building blocks of our society should be decency, mutual regard and solidarity, humility, gratitude and respect, even for opposing views.

Roman Strejček
Chairman of the Management Board

The Czech Republic, just like the other member states, has to implement two European Union directives concerning the copyright. In terms of ensuring balance on the Internet between authors and artists and tech giants such as Google or Facebook, the Directive on Copyright in the Digital Single Market is important. If it is well implemented by the Czech Republic and the politicians do not cave in to the pressure of tech giants and other pseudo-independent citizens' initiatives, the negotiating position of authors and artists will improve.

01

ABOUT OSA

WHAT OSA IS

Ochranný svaz autorský (OSA) is a private professional association that follows up the activities of Ochranné sdružení spisovatelů, skladatelů a nakladatelů hudebních děl, zapsané společenstvo s ručením omezeným, which was established in 1919 by Karel Barvitijs, Rudolf Piskáček, Arnošt Herman, Josef Šváb, František Šmíd, Eduard Joudal, Emil Štolc, Otakar Hanuš and Karel Hašler.

OSA is the so-called collective management organization authorized by the Ministry of Culture of the Czech Republic to represent authors and music publishers in accordance with the

Copyright Act. Rights of foreign rights holders are managed by OSA on the basis of reciprocal agreements with 81 foreign collective management organizations.

It is also one of the founding members of the International Confederation of Societies of Authors and Composers CISAC (in 1926) and Bureau International des sociétés gérant les droits des enregistrements et de reproduction mécanique BIEM (in 1929).

OSA has been a member of the Economic Chamber of the Czech Republic since 2017.

Our motto

We think of music

OUR VALUES

COMMUNITY

We are a professional association of composers, lyricists and music publishers.

TRADITION

We have been here for you since 1919.

MUSIC

We share feelings through (our) universal language

ACCESSIBILITY

We share feelings through (our) universal language.

OPENNESS

We promote transparent attitude to authors as well as to the public.

WHAT OSA DOES

Through OSA, users obtain licenses to play pieces of more than 4 million authors from all around the world, including more than 10 thousand domestic ones. Since 2018, OSA has been a single point of contact for all collective management organizations in the Czech Republic. If you run, for example, a restaurant, shop or hairdressing salon, now you need only a single contract from OSA to play music and TV shows for your customers.

OSA makes sure that authors receive royalties for their music which we hear every day from radio and TV, at concerts, in bars and restaurants, or play on the internet or from music carriers.

The principle of mutual solidarity among authors has been one of the building blocks of OSA since the times of the First Republic. Thanks to the Partnership grant scheme, OSA supports almost 300 music projects and various charitable deeds a year.

CLIENTS OF OSA

RIGHTS HOLDERS

composers, lyricists, music publishers and heirs

WHY IS OSA IMPORTANT FOR MUSIC AUTHORS?

Authors do not get paid for writing music or lyrics, with some exceptions. They receive their royalties only when the work is used and the royalties are directly proportional to the success of their piece.

If the piece is successful and often played in radios or at concerts, authors are less capable of taking care of their copyrights themselves.

We are here in order to ensure that the authors we represent have peace for their own production. We manage their rights and, on the basis of data reported by music users, we pay fair royalties to the authors.

A) Rights holders that concluded a contract with OSA

OSA distinguishes 2 forms of relationships:

- a rights holder that concluded a contract with OSA
- a member (with the advantage of voting rights and the possibility to elect his representatives or to stand as a candidate for the Supervisory Board in the General Assembly of OSA members)*

* conditions for membership are defined in Art. 3 of the Statutes of OSA

B) Rights holders that concluded a contract with a foreign sister society with which OSA has concluded a reciprocal agreement

In addition, we manage rights by operation of law; for those rights, we pay out royalties to registered rights holders. We do not manage the rights of interpreters of compositions (singers).

More than 4 million

authors and publishers from all around the world, including **10,106** domestic ones.

TOTAL NUMBER OF RIGHTS HOLDERS AS AT 31 DECEMBER 2020 whose rights we manage on the basis of a Contractual relationship directly with the rights holder or with a foreign sister society:

Total domestic rights holders	10,106
Authors	7,071
Heirs	2,887
Publishers	148
Total newly accepted domestic rights holders	448
Authors	444
Publishers	4

* In addition to the above numbers, 53 new contracts with the heirs of copyrights were signed in 2019.

TWENTY-TWO NEWLY ACCEPTED MEMBERS IN 2020

(accepted by the General Assembly with effect from 1 January 2021)

STRUCTURE OF MEMBERS AS OF 31 DECEMBER 2020

Total members	589
Popular music composers	352
Classical music composers	70
Lyricists	91
Publishers	27
Heirs	49

OSA is here so that the authors we represent have peace for their production.

PROTECTION OF MUSICAL WORKS

Musical works are protected from the moment of their registration on the basis of the notification submitted by the author for each musical work.

NEWLY REGISTERED NOTIFICATIONS OF MUSICAL WORKS

Total newly registered notifications	16,424
Popular music composers	13,454
Classical music composers	1,107
Lyricists	1,803
Joint registrations	60

USERS OF MUSIC

entrepreneurs, operators, organizers, professional and non-professional public

WHY IS OSA IMPORTANT FOR USERS OF MUSIC?

Through OSA, users gain access to the legal use of music of all genres from around the world. The user enters into a single license agreement for events with live and background music with ISA which acts as a single point of contact for all collective management organizations. In the Czech Republic, there are four other organizations managing copyrights of other authors: INTERGRAM (singers, bands, actors, phonogram producers), DILIA (directors, writers, screenwriters, cameramen), OOA-S (authors of graphic works of art and visual elements of audiovisual works), OAZA (production sound designers).

HOW DOES MUSIC AFFECT CUSTOMERS AND HOW DOES IT BENEFIT ENTREPRENEURS AND BUSINESSMEN?

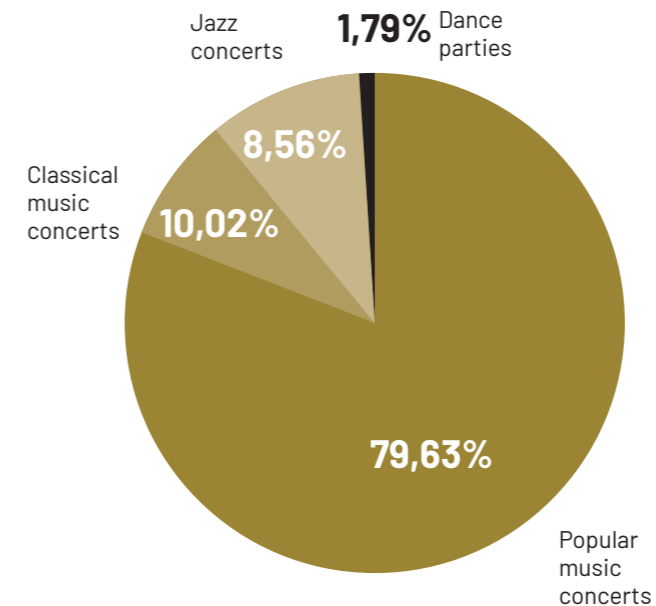
- Music fundamentally affects the shopping behavior and decision-making of customers.
- Music can have a favorable effect on the amount of sales
- Music supports positive brand recognition
- Appropriately chosen music improves working conditions and performance of employees
- Music reduces the perception of time spent queueing

Source: Ipsos Media, Value Of Music, France 2008

36,673

Total number of business partners in all segments of collection in 2020*
(*according to Company ID-No.)

CONCERTS ORGANIZED IN 2020



In 2020, we distributed royalties to authors and publishers in accordance with the lists of musical works used from:

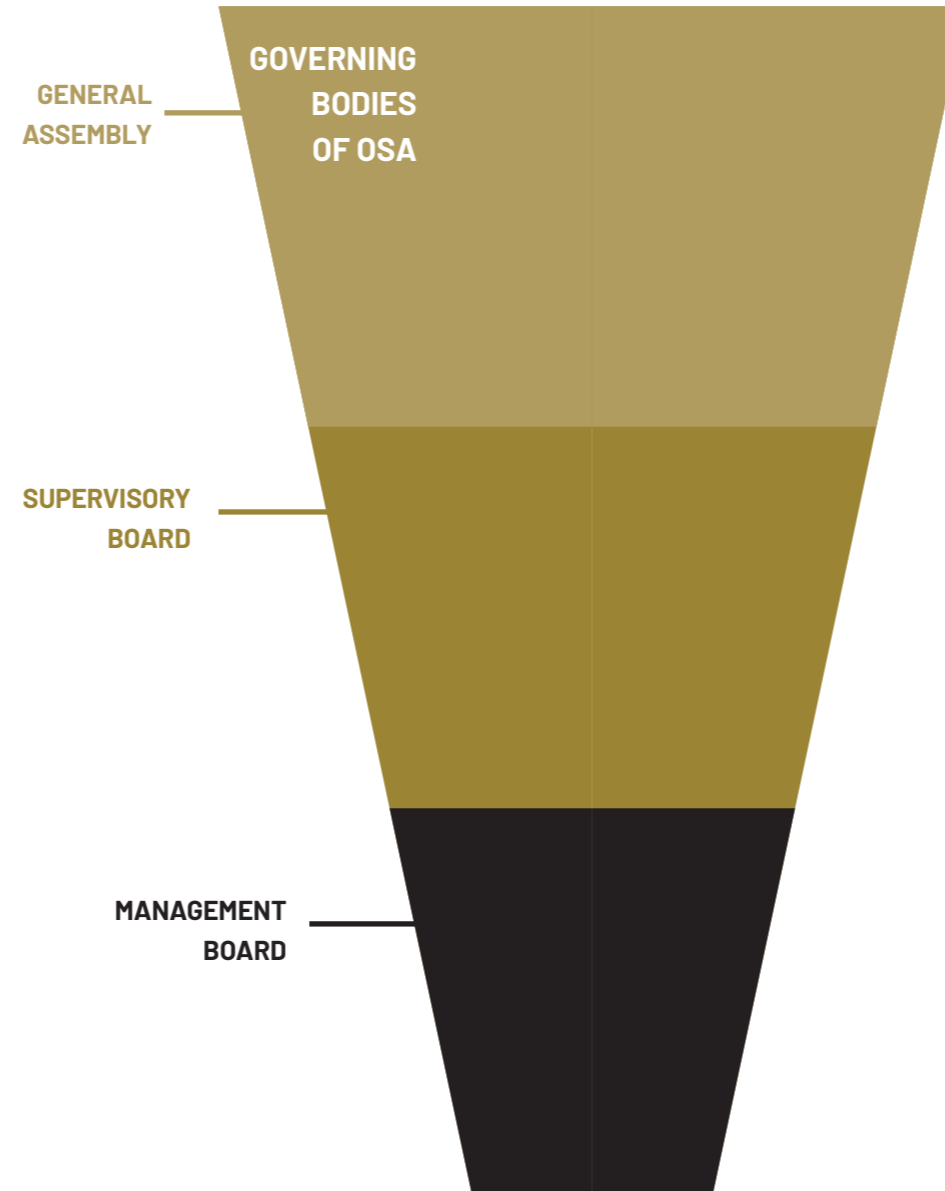
- organizers of **21,090** concerts,
- 47** TV stations that played **113,815** hours of music in 2020,
- 182** radio stations that played **994,370** hours of music in 2020.

OSA MANAGEMENT AND EMPLOYEES

GENERAL ASSEMBLY

General Assembly is the supreme body of OSA. It consists of OSA members and is convened at least once a year in the first half of the calendar year after conclusion of economic results for the previous year. Powers of the General Assembly are set out in the Statutes of OSA, available at www.osa.cz.

Due to the announced state of emergency in relation to the covid-19 pandemic and the subsequent extraordinary measures and other laws and regulations, the OSA Management Board decided in accordance with the OSA Supervisory Board resolution to cancel the Ordinary General Assembly of OSA members scheduled for 25 May 2020. Instead, a correspondence and electronic vote outside the general meeting, i.e. per rollam, was organized. The correspondence vote on proposals presented to the General Assembly (sent by registered mail together with the vote form to all OSA members) took place from 17 April to 25 May 2020; the electronic vote took place on 15–19 May 2020. On 26 May 2020, the vote results were counted, verified by a notary and then published on the OSA website.



SUPERVISORY BOARD

The Supervisory Board is a management and controlling body of OSA during the period between the meetings of the General Assembly. The Supervisory Board consists of 13 members who have been members of OSA for at least 3 years, including 6 composers, 3 lyricists and 4 publishers. Members of the Supervisory Board are elected by the General Assembly for 3 years, re-election is admissible. The powers of the Supervisory Board are defined in the OSA Articles of Association available at www.osa.cz.

In 2020, 11 meetings of the Supervisory Board were held. The Supervisory Board meeting is also attended by 3 members of the Management Board.

SUPERVISORY BOARD MEMBERS AS AT 31 DECEMBER 2020

chairman	Luboš Andršt	composer
vice-chairmen	Michael Prostějovský	lyricist
	Universal Music Publishing s.r.o. - Jolana Zemanová	nakladatel
members	Jan Hála	composer
	Juraj Filas	composer
	Eduard Krečmar	lyricist
	Ivan Kurz	composer
	Lukáš Matoušek	composer
	Zdeněk Nedvěd	nakladatel
	Michal Prokop	composer
	ProVox Music Publishing, s.r.o. - Jiří Paulů	music publisher
	Tomáš Roreček	lyricist
Schubert Music Publishing, s.r.o. - Jiřina Petrová	music publisher	

SUPERVISORY BOARD COMMITTEES

Committees are only preparatory, consulting and auxiliary bodies in relation to the Supervisory Board. Their members are appointed by the Supervisory Board and the term of office expires upon the expiry of the term of office of the Supervisory Board which appointed the members. Each committee member must be a member of OSA and at least one committee member must be a member of the Supervisory Board.



COMMITTEE MEMBERS AS AT 31 DECEMBER 2020

ECONOMIC COMMITTEE

prepares materials, documents and proposals for solutions for the decision-making by the Supervisory Board in the area of OSA management. In particular, it conducts business analyses, collections and costs analyses, looks for savings and deals with tax issues. It monitors tariff levels abroad, economic effects of tariff rates, discusses changes of royalty tariffs and the rate of royalties for new uses of the works. In the social area, the committee manages and distributes resources from the Solidarity Fund (defined in par. 3.2 of the Statutes of the Cultural, Social and Educational Fund of OSA) and decides on granting social contributions and support and on the amount and pay date thereof. All profession groups of the Supervisory Board must be represented in the Committee.

chairwoman	Jolana Zemanová
members	Tomáš Doležal Eduard Krečmar Jiří Paulů

DISTRIBUTION COMMITTEE

prepares in particular proposals for changes to the Distribution Rules, checks all distribution mechanisms, monitors Distribution Rules of author's societies abroad (preferentially in EU countries), analyzes impacts of the Distribution Rules on the relations among the rights holders whose rights are managed by OSA, addresses the issue of administrative cost deductions together with the Economic Committee. All profession groups of the Supervisory Board must be represented in the Committee.

chairman	rotation principle
members	Martin Kratochvíl Jiřina Petrová Michael Prostějovský Miroslav Pudlák

COMMITTEE FOR CREATIVITY AFFAIRS

in particular categorizes the reported works to relevant categories in accordance with Annex 1 to the Distribution Rules in force, comments on disputes of authorship from the creative point of view, assesses the degree of works adaptation and arrangement, deals with authorship disputes of the rights holders whose rights are managed by OSA, identifies possible plagiarism.

chairman	Emil Viklický
members	Juraj Filas Jan Hála Michal Košut Lukáš Matoušek Vladimír Popelka Zdeněk Zahradník

PARTNERSHIP COMMITTEE

was established by the Supervisory Board in 2010 and it pursues fulfillment of the OSA Partnership project. On the basis of a written request of the implementer of a specific project, the Committee is entitled to decide to award OSA partnership in the project implementation. Furthermore, it looks for potential applicants/promoters from individual areas and informs them of the possibilities of partnership. The Committee enters into coordination negotiations with the OSA Management Board to reach mutual agreement on strategy and coverage of the spectrum of cultural events within the frame of fulfillment of the Partnership project. All profession groups of the Supervisory Board must be represented in the Committee.

chairman	Ivan Kurz
members	Jiří Gemrot Karel Holas Martin Němec Helena Rytířová Milan Svoboda Jaroslav Šprongl

AUTOR IN EDITORIAL BOARD

Prepares together with the magazine editors the contents of individual issues and it sees to the balance of published topics with regard to individual profession groups whose rights are managed by OSA.

chairman	rotation principle
members	Jan Krůta Zdeněk Nedvěd Michal Prokop Tomáš Roreček

COMMITTEE FOR OSA ANNUAL AWARDS

A non-permanent committee which focuses on preparation of OSA Annual Awards and other annual events

chairman	Michal Prokop
members	Lukáš Matoušek
	Michael Prostějovský
	Jolana Zemanová

MANAGEMENT BOARD

Management Board is the governing and executive body of OSA. It has three members and consists of the chairman and two members. The Management Board is elected and removed by the Supervisory Board. It is responsible for its activities to the General Assembly and to the Supervisory Board. Powers of the Management Board are set out in the Statutes of OSA, available at www.osa.cz.

chairman	Roman Strejček
members	Jiřina Barello
	Luboš Tesař

EMPLOYEES OF OSA

In 2020, the number of employees decreased by 9 compared to the previous year. As of 31 December 2020, the total number was 145 full-time employees. We also employ people with reduced capacity to work, namely 8 of them.

OSA ACTIVITIES OUTSIDE THE COLLECTIVE MANAGEMENT SYSTEM

OSA AGENCY

Apart from the main activities of a collective rights manager, OSA also performs secondary agency activities based on the respective trade licence. These include primarily the provision of licenses for use of musical works in creation of advertisements and audiovisual works (so-called synchronization rights) and the use of musical works in theatre performances. These licenses are granted based on an individual authorizations by individual rights holders. The acquired agency status goes to meet the new European trends that provide space for negotiating author terms with regard to the market situation.

MUSICJET

MusicJet is a Czech service providing a music library that includes millions of pieces by the biggest global and national publishers. MusicJet was created in the Czech Republic in 2011 as the largest music library of licensed and legally distributed music. It is a joint project of big national publishers (Universal Music, Supraphon), OSA (holds 5% of shares), and Bald Brothers. It offers high-quality (FLAC) records for download and streaming. Apart from an extensive catalogue, it offers technical solutions in digital distribution of music for its partners:

- Music solutions including settlements of license agreements with collective rights management organizations for businesses and chains, restaurants, bars and other environments where music is an indispensable part of pleasant customer atmosphere.
- A streaming platform with extensive licensed catalogue, which may be implemented in third party projects.
- A catalogue divided by genres based on moods, occasions and specific partner requirements
- A streaming app developed for Android and iOS.
- Documents and solutions for monitoring of music playing in the media.

LINK: www.musicjet.cz

02

**WE ARE
THINKING OF
MUSIC**

OSA ASSISTANCE DURING THE CORONAVIRUS CRISIS

The economic impact of government measures implemented in relation to the coronavirus crisis on Czech culture has been huge, often even existential, not only for musicians, theatre workers and cultural event organizers, but also for shop owners and many other related professions and fields that are connected to culture. In these hard times, OSA tries to help both authors and publishers, as well as the public users.

AUTHOR SUPPORT

Authors who were directly affected by the ban of live music productions and thus lost a major part of income from concerts got paid by us in 2020 nearly CZK 10 million of non-repayable aid from the fund for music support. The first aids were paid in spring 2020, one week after the state of emergency was declared, the authors received the rest in autumn.

Authors eligible for this financial support were those who got the minimum remuneration of CZK 20,000 per year for concerts from OSA in at least one of the last three years. The exact aid amounts ranged between CZK 3,000 and CZK 30,000 and were paid to almost 1,000 authors.

COMPENSATIONS TO MUSIC USERS

We tried to provide economic assistance to public users by compensating the royalty payments. Although authors and performers were hit by the state of emergency just as hard as shops, restaurants and hotels, they observe the solidarity principle. OSA, Intergram and other collective rights management organizations agreed to exempt establishments from payments for whole months during spring, even if the government restrictions only lasted several days of a given month.

We offered our clients the option of a refund of royalties paid or a discount for 2021, amendments of existing contracts, postponement of invoice payments or the option to arrange a repayment schedule.

SPECIAL SECTION OF OSA WEBSITE

In spring 2020, OSA launched a special section of its website www.osa.cz/covid-19/, which helps authors and users better understand the current difficult situation. Throughout the year, we were providing detailed information about various possibilities of government compensation programmes for authors, heirs and publishers, including detailed guidelines to follow when filing a compensation application. The section also includes practical advice from lawyers and tax advisors. Similarly, we inform and advise public users, such as cultural event organizers and owners of closed establishments.

FIGHT TO SAVE THE MUSIC INDUSTRY

In response to the dismal situation, the group called Czech Music Community (CMC) was formed. Its main focus is to advocate for the interests of the whole music sector across genres and professions, i.e. from music authors and performers to managers, technical professions, music clubs, permanent music venues to organizers of big music festivals.

CMC started forming in spring 2020 through the initiative For Live Music (#zazivouhubu), which OSA was a part of from the beginning. The founding organizations of CMC were the Association of Dramaturgs in Audiovision (ADA), Association of Independent Music (AIM),

FESTAS, Music Managers Forum CZ (MMF), Association of Authors and Performers (AAP), T Servis became an associate member. Representatives of the following organizations were also present: BACH (Brno Association of Club Music), Intergram, Platform of Czech Independent Publishers of Sound Recordings and SoundCzech.

The main focus of CMC work lies in ongoing negotiations with representatives of the ministries, government and opposition politicians on financial compensations, on setting clear hygienic rules for organizing cultural events. The goal of the education is the operation of the music sector as a whole, interconnection of individual professions, synergy effects for tourism and search for targeted aid necessary to restart the music sector.

The result of these activities, among other things, was setting the conditions of the COVID-Kultura subsidy scheme created by the Ministry of Culture and the Ministry of Industry and Trade to help authors, performers and entrepreneurs in culture, with OSA also present during the commenting process.

SUPPORT OF PROJECTS AND CULTURAL ACTIVITIES

OSA is an association whose primary interest and mission is the sphere of culture and any related activities. As such, it understands its proactive participation in development of culture and cultivation of cultural awareness as the basic premise of its efforts. It cannot ignore the state of culture not only in the Czech Republic but also abroad, simply because it is a part of a complex, i.e. an association of authors and participants of the culture, and therefore also a creative agent, bearing its share of responsibility for the state of culture. Through its work, it mainly supports the area of its own activities, music.

OSA PROJECTS, GRANTS, PARTNERSHIPS

The area where positive steps towards our joint vision of cultural and responsible society can be made in the easiest and most tangible way is the support of Czech music scene. For this purpose, the **Partnership project was created in 2010 aimed at support of authors contractually represented by OSA and at development of culture not only in the Czech Republic.** 2020 was the 11th year of the Partnership programme.

Since 2010, as many as **2,000 music projects** were supported within **5 programmes** focused on various areas of musical activities.



OSA LIVE
support to live concerts and festivals



MADE WITH OSA
support to releasing musical works or other musical theme materials



OSA PREMIERES
support in the introduction of new works etc.



OSA HELPS
support to beneficent and charitable events



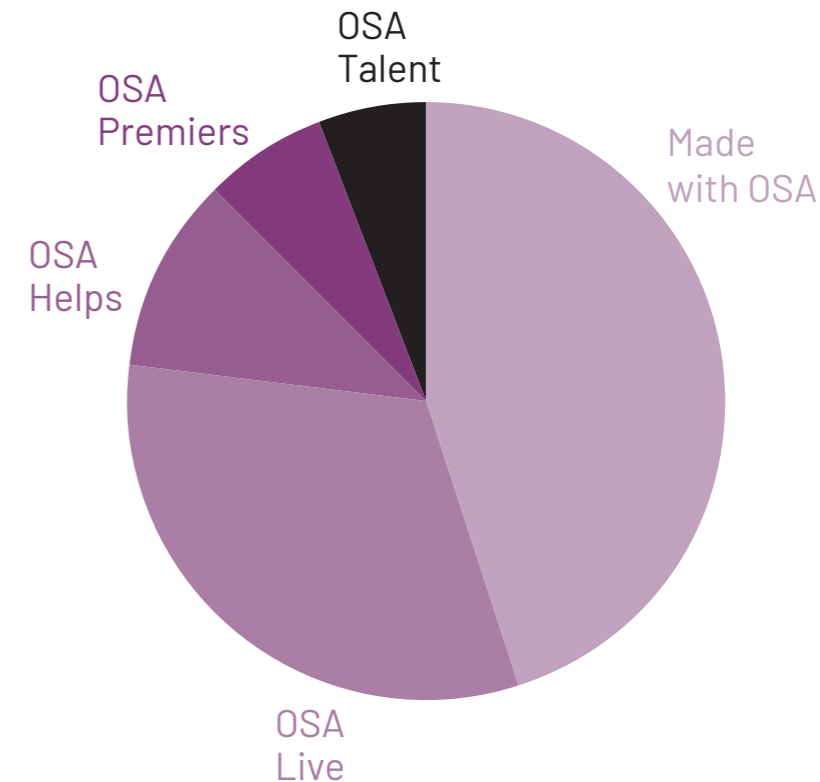
OSA TALENT
support mainly in the organization of creative contests and music courses focused mostly on young music authors, concerts and festivals presenting young music authors, study trips for music authors involving creation of a musical work protected by copyright

Partnership is granted based on a filed partnership application, which is discussed by the Partnership Committee and OSA Management Board. If the decision on granting support to a given project is positive, a grant agreement is concluded with the applicant. The increasing number of filed applications shows that the interest is growing year by year. We provide financial contributions both for regularly supported projects and for newly created acts, which are no less interesting. In 2020, the strongest interest came in the category Made with OSA, followed by the category OSA Live.

When selecting the projects, the Committee does not take into account whether the applicant is an author represented by OSA. Thus anyone who uses works of authors contractually represented by OSA and wishes to promote the good name of OSA with the media and general public may apply for partnership.

IN 2020, 282 PROJECTS WERE SUPPORTED WITHIN THE OSA PARTNERSHIP.

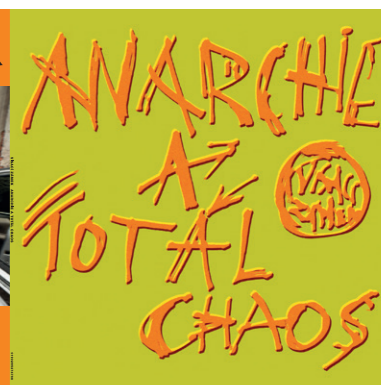
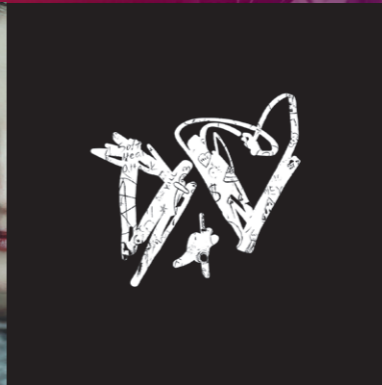
Partnership grant project	Number of projects
Made with OSA	127
OSA Live	90
OSA Helps	30
OSA Premiers	19
OSA Talent	16
Total	282



This year, despite the obvious complications, the **Songwriting camp CZ** took place, for the third time with our support. And its title proudly read "powered by OSA" because OSA is the prime mover of the project. The goal of the camp is to connect professional foreign artists and producers with Czech authors, sharing of experience at international level, foundation of new collaborations and musical connections, promotion of creation and, last but not least, spreading of Czech music and promoting Czech artists abroad. This new concept works great and is a well-established format in the world. We see the great potential and real meaning of support here.



OSA also supported the prestigious **Classic Prague Awards** for the third year, awarded in categories of classical music, although the award ceremony was postponed due to the coronavirus pandemic situation and will be held together with the ceremony for the 2021 awards. Such awards have not yet been presented here.



We continued to collaborate with and support the Anděl Awards whose level and audience is increasing thanks to new production. As part of the Apollo Awards, OSA has given a cheque for CZK 40 thousand to the winner for the ninth time. In collaboration with the Bohemia JazzFest, a competition for the best jazz piece by a young author under 35 was announced traditionally. The awarded author was Štěpánka Balcarová for her piece Czerešnie and she also got a cheque from OSA for CZK 40,000.

In the OSA Helps category, we supported for example the Regional Charity in Kutná Hora, Podané ruce, z. s., Dagmar and Václav Havel Foundation VIZE 97, and Bigg Boss, s.r.o. and their project "Kultura žije". Due to coronavirus, a number of cultural institutions and entities had to cancel their programmes and the losses that hit the whole culture sector are fatal. This was the reason why this initiative emerged in collaboration with MALL.TV to bring live broadcasts of concerts, performances and lectures.

As usual, we supported the SoundCzech pro-export office that focuses on exporting Czech bands abroad, mostly to well-known showcase festivals such as Eurosonic, Womex, Waves Vienna and others.

Other annually supported projects include the Modern Music Institute, JazzFestBrno, Motol Motolice, Magdalena Kožená Endowment Fund – ZUŠ Open, Janáček May, Bohuslav Martinů Days, Berg Orchestra, Anifilm, Porta Festival, Žebřík music awards, Hudební rozhledy magazine and others. From newly published CDs and music videos, for example Aneta Langerová, Veronika Vitová, Anna Žitníková, Klára Vytisková, Honza Křížek, Igor Ochepevský, Čechomor, Good Times Only, Lety mimo and Cotatcha Orchestra were among the supported artists.

For more information see:
www.osa.cz/granty-partnerstvi



CHARITY PROJECT SUPPORT

For 12 years, OSA has been collaborating with the Diaconia of the Evangelical Church of Czech Brethren. The Diaconia operates more than 100 establishments all over the Czech Republic and its activities focus on services to people with mental and psychological disorders and others who found themselves in adverse life situations. A similar way of collaboration has been established with the Charity of the Czech Republic and the Silesian Diaconia.

In many cases, OSA accounts for the charitable or a similar social significance of a cultural event in the royalty rate list by granting licenses under symbolic or more advantageous

conditions. These also include live and reproduced music performances. Such contracts e.g. with the Association of Workers of Children and Youth Centres, the Pionýr association, Association of Elementary Art Schools, Union of Czech Choirs, the Polish Culture and Education Association in the Czech Republic, the Folklore Union of Prague and Central Bohemian Region, the Hanakia Folklore Club, the Society for Folk Traditions of South Moravian Region, the Horní Beřkovice Psychiatric Hospital, the Tloskov Social Services Centre and with the Association of the Providers of Social Services in the Czech Republic allow the use of devices to play music in the establishments. Similarly, the association also supports Bambifest, an event held by the Council of Children and Youth of the Moravian-Silesian Region.

Moreover, the feeling of unity and professional solidarity also motivates OSA to search for ways to support its own authors who need help, in particular in the form of financial aid from the solidarity fund.



AUTHOR EDUCATION

competitions, courses and study stays. Support of education is one of the most effective and efficient tools to support the development of the musical world that OSA has at hand. For this reason, one of the programmes of the Partnership project mentioned above (OSA talent) is also focused on the area of author education, intended as a way to support young talents through

In 2020, as usual, we supported e.g. the 15th Workshop project for the youngest composers, organized by Association Q, the Generation project – international competition for composers under 30 held under the patronage of the Janáček May International Music Festival and the Czech Jazz Workshop project, organized by the Czech Jazz Society. It is a week-long workshop attended by tutors from all over the world every year, for all groups of musicians who wish to improve their music skills and learn from the best in the field. Another project is the ZUŠ Open that originated under the patronage of the Magdalena Kožená Endowment Fund. It is a national happening of elementary art schools in the public domain, striving to present a range of art and life of art schools outside the usual framework and space of the school.

In 2020, as usual, we supported e.g. the 15th Workshop project for the youngest composers, organized by Association Q, and Songwriting camp CZ, a music workshop supporting new production.

The goal of Nouvelle Prague is to create a unique platform connecting the activities of musicians and music industry professionals.

The educational element is covered by collaboration with the Modern Music Institute at music workshops for creative bands. The workshops give their participants the opportunity to improve their stage and overall appearance skills. Moreover, OSA supports the Institute in the area of elementary school education. These are educational courses using current computer music software that the children learn to work and create music with. Apart from creation, the children are educated to understand the meaning of intellectual property. After a year of learning, children are able to create a basic musical composition.

Last year we started collaborating with the Nouvelle Prague festival. It is the first international showcase festival in the Czech Republic combined with a specialized music conference focused on current topics of live music production. The aim of Nouvelle Prague

is to create a unique platform connecting the activities of musicians and music industry professionals, to support networking, it has sharing of experience among professionals from all over the world and introducing new domestic and foreign talents. Due to the pandemic situation, there was only an on-line conference without showcase festivals in 2020.

Our association is interested in charity aid and help in need, not only within one of the Partnership project programmes (OSA Helps) focused directly on support of philanthropic and charitable events. Again, we express ourselves in the language closest to us – by music. OSA collaborates for example with The Tap Tap. So far, assisted with the publication of 3 albums of the band and helped to organize many performances. It is a band from the Jedlička Institute. The band, which also performed during one OSA awards ceremony, has grown into an internationally acclaimed and successful project during a couple of years. Another reason why we are honoured to help those who have been dealt a bad hand health-wise, yet they are full of energy and humour.

CULTURAL ACTIVITIES

ANNUAL OSA AWARDS

OSA has been awarding the most successful Czech composers and lyricists annually since 2006. Since 2014, it has also been awarding those who significantly contribute to the promotion and propagation of Czech music. With the exception of OSA Golden Award, OSA Golden Fund and Award for Promotion and Propagation of Czech Music, OSA Annual Awards are the only awards in the Czech Republic presented on the basis of statistics provided by radio and television broadcasters, concert organizers, music online service providers or media producers and sellers. Since 2020, the lists of the most successful pieces and authors are put together solely based on the statistics for the last two years. These are the only awards to link authors across music genres and they are presented in the total of 15 categories, for the production in both classical and popular music.

On the basis of a decision of OSA Supervisory Board, the highest awards are presented annually, i.e. OSA Golden Award for contribution to the Czech music, and OSA Golden Fund for the most played pieces in the long term. Awards are presented also to young authors of both classical and popular music aged 30 or under, who in addition receive a financial prize from OSA to be used to develop their further production.

15TH YEAR OF THE ANNUAL OSA AWARDS

Due to the coronavirus pandemic, the awards ceremony was rescheduled from June to 29. September 2020, it was held without audience and broadcasted live at www.cenyosa.cz. The lifelong contribution award went to Jaroslav Uhlíř. *Anděl* by Mirai became the popular song of the year, written by Mirai Navrátil and

Jan Pokorný (Pokáč). The most successful composer and lyricist is Ondřej Ládek (Xindl X), Zdeněk Král won two awards in classical music.

New criteria for generating the OSA statistics results were applied in the 15th year for the first time. These are pieces and authors who experienced their first extraordinary success in the last two years with a concert, radio and television broadcast, sales of music media, internet sales and in other uses, regardless of the date of their registration with OSA. "To bring the very current successful production closer to the public both in the area of classical and pop music, we have decided to restrict the selection of music from the statistics. The lists are now put together solely from pieces that were most often heard in the last two years," specifies Michal Prokop, the Chairman of the OSA Annual Award Committee.

The only categories not awarded based on data but based on the decision of the OSA Supervisory Board are the OSA Golden Award for Contribution to Czech Music, the OSA Golden Fund for the most placed pieces or authors in the long term and the Award for Promotion and Propagation of Czech Music.



VÝROČNÍ
CENY
OSA



"As far as covid is concerned, the society has very polarized views and is rather scared. We did not want to expose our authors and clients to unnecessary risks of possible infection. So, at the end, we chose a small-scale and more economical form of the evening ceremony without audience, similar to the concerts streamed at the beginning of the pandemic," Roman Strejček, the Chairman of the OSA Management Board, commented this year's Annual Award ceremony and added: "We wished to maintain the dignity of the awards, which we managed thanks to the whole team working on the

ceremony, most importantly the two hosts." The OSA Golden Award went to Jaroslav Uhlíř, the author of hits such as Holubí dům, Není nutno, Ani k stáru and Hajný je lesa pán. Pavel Šrut, the author of songs for Michal Prokop, Petr Novák, Petr Skoumal and others, was listed in the OSA Golden Fund. The Award for Promotion and Propagation of Czech Music was presented to Eva Urbanová and the soundtrack from Šileně smutná princezna (music by Jan Hammer jr., lyrics by Ivo Fischer) was entered in the OSA Golden Fund.

The awarded authors were presented statues designed by Milan Cais again. Young authors in the category under 30 got a cheque for CZK 50,000. The most successful young author in the pop category was Augustine Dunn from The Silver Spoons, in classical music the young and promising contrabassist and composer Indi Stivin.

As usual, the evening was hosted and dramaturged by the duo Petr Prokop and Ondřej Cihlář (Vosto5 Theatre) who took the viewers to a fairytale. A number of songs from fairytales and movies were performed by Tonya Graves, Jakub Hübner, Robert Nebřenský, Matěj Ptásek, Anna Julie Slováčková and Petr Wajsar. The 15th year was held under the patronage of the Ministry of Culture of the Czech Republic. The main media partner of the evening was Ůčko music TV. Other media partners included Expres FM and Classic Praha radio stations.

RESULTS OF THE 15TH OSA ANNUAL AWARDS

OSA Golden Award
JAROSLAV UHLÍŘ

OSA Golden Fund (author)
PAVEL ŠRUT

OSA Golden Fund (composition)
**MUSIC AND SONGS WRITTEN FOR THE FILM
ŠILENĚ SMUTNÁ PRINCEZNA**
JAN HAMMER ML., IVO FISCHER

Award for the Promotion and Propagation
of Czech Music
EVA URBANOVÁ

Popular composition of the year
ANDĚL
MIRAI NAVRÁTIL, JAN POKORNÝ (POKÁČ)

Classical composition of the year
KDE DOMOV NÁŠ?
ZDENĚK KRÁL

The most successful author of popular music
ONDŘEJ LÁDEK

The most successful lyricist
ONDŘEJ LÁDEK

The most successful author of classical music
ZDENĚK KRÁL

The most successful publisher
UNIVERSAL MUSIC PUBLISHING, S.R.O.

The most successful young author of popular music
AUGUSTINE DUNN

The most successful young author
of classical music
INDI STIVÍN

The most successful author of popular music abroad
JAROMÍR NOHAVICA

The most successful author of classical music abroad
MICHAL RATAJ

Concert of the year
PRIZE NOT AWARDED

MORE ON WWW: www.cenyosa.cz



THE BOOK STORIES OF SONGS 1919–1960

In collaboration with Albatros Media, OSA published the book *Stories of Songs 1919–1960*. The publication was created on the occasion of the 100th anniversary of OSA foundation, celebrated in 2019. It presents an overview of the most popular and striking songs from the 1919–1960 period and tries to introduce the authors and stories of the creation of the crucial works of music of the respective decades. The authors are Josef Vlček, popular music publicist, and Jaromír Havlík, a musicologist who takes the readers through the classical music.

In the book, Josef Vlček discusses the development of Czechoslovak pop music from the cabaret era to the coming of rock'n'roll. He tells the stories behind pieces such as *Copak je to za vojáka*, *Ta naše písnička česká*, *Teskně hučí Niagara*, *Vínečko bílé*, *Ten umí to a ten zas tohle* and many more. He views the time between OSA foundation and the coming of rock'n'roll roughly as three waves, one stronger than the other. "When I started listening to pop music as a boy, I thought it started at the turn of the 50s and 60s by rock'n'roll. After a few years, already as a music journalist, I realized that rock'n'roll took root here in an already colourful and cultivated garden, rich with various ingredients from the previous decades. The picture of what preceded the first Czech Elvises goes deep into the past, and if I chose 1919 as the starting point of the story of Czech songs, it was mostly because *Ochranný svaz autorský* was established in that year and brought with it a clear legal framework without which modern pop-music cannot exist," comments Josef Vlček, publicist and book author.

Jaromír Havlík looks into works of authors such as Leoš Janáček, Petr Eben, Bohuslav Martinů, Miloslav Kabeláč and others. One could say it is a guide through classical music in 1919–1960. He also divided the development of music styles and works of the authors in three periods. "The chapter is organized strictly chronologically and in a condensed form, it introduces the key works of classical music in the individual genres. At the same time, apart from several internationally known personalities such as L. Janáček, B. Martinů, A. Hába and P. Eben, it mentions a number of names of significant Czech composers who are practically unknown or half-forgotten today and who should be revived in general awareness," adds the author, professor Jaromír Havlík.

"If us Czech have the right to be proud of something, it is definitely the Czech music production. Composers of the likes of Dvořák, Martinů, Vejvoda, Voskovec & Werich or Suchý & Šlitr are world-calibre names. If there are any positives to be ascribed to covid, it might be the fact that the social life restrictions gave us time for ourselves and our spiritual development that can be filled for example by reading and listening to music. I believe that the book will speak to the readers through its unconventional take on the stories of songs set in a time context of the cultural and social life in our country. I wish the readers enjoy the wanders through the history of Czech song and musical production," says Roman Strejček, Chairman of the OSA Management Board.

MORE IN A VIDEO HERE: www.bit.ly/osakniha



03

**ECONOMIC
RESULTS**

ECONOMIC RESULTS OF OSA IN 2020

In 2020, Czech culture and also the activities of OSA, just like the whole of the Czech and global economy, faced a negative challenge in the form of the covid-19 epidemic and the related extraordinary measures taken by the government or the declared state of emergency. Total bans on mass events and various restrictions in the course of the year based on the number of participants practically lasted from March till the end of the year. The said government measures (in the form of banned or otherwise restricted concerts, festivals, clubs, etc.) did not affect only live music productions but also reproduced music (discos, cinemas, sports events, theatres, etc.). The state of emergency declared by the Czech government in spring and subsequently also in autumn and winter months and the related complete closure of trade and service establishments, restaurants, bars and hotels were a critical intervention in other areas – segments with the most significant use of reproduced music.

**CZK -233,920
thousand**

year-on-year decrease of total OSA income caused by the corona crisis

Despite the complicated times, OSA managed to keep its total collection for 2020 (incl. non-license income) at a very acceptable year-on-year decrease by 16.87% so far, which equals CZK 233,920 thousand lost compared to the previous, record-breaking period. The amount includes fees collected based on authorization for other domestic collective rights management organizations which granted OSA the status of the sole contact and collection point for the area of public operation licensing in 2018, e.g. in restaurants, shops and service establishments through audio and audiovisual devices. The collection for granted licenses collected solely for music authors decreased by CZK 131,731 thousand, i.e. by 11.85%. However, the settlements for previous periods, mostly in the television broadcast segment, as well as payments received for use in 2019 and, on the other hand, the reflection of the income drop of some broadcasters that happened in 2020 only in the calculation of license fees for the following year, contributed to the good result. In 2020, OSA cost was 8% lower year on year and the calculated average overhead costs (cost to collection ratio) got to acceptable 13.48% with the above collection decrease.

ECONOMIC INDICATORS

PRINCIPAL ECONOMIC INDICATORS

	2016	2017	2018	2019	2020	2020/2019 difference
Total collected revenues	1,007,329	1,045,285	1,242,089	1,386,668	1,152,748	-233,920
Total costs	142,407	151,596	147,383	168,409	155,425	-12,984
Average cost deduction in %	14,14%	14,50%	11,87%	12,14%	13,48%	+1,3,%

* in thous. CZK / excl. VAT

** costs in this chapter are always quoted net of income tax

COLLECTED REVENUES, COSTS AND AVERAGE COST DECUTIONS

Category of rights	Collected revenues	Costs	Average cost deduction in %
Live public performances	94,869	18,808	19,82%
Background music in public premises	126,776	31,048	24,49%
Radio broadcasts	76,081	11,471	15,08%
Television broadcasts	310,281	47,104	15,18%
Cable retransmission	104,450	11,058	10,59%
Internet, mobile and similar networks	81,727	9,338	11,43%
Physical media	15,010	1,006	6,70%
Renting and leasing	4,880	152	3,12%
Private copying	83,817	6,717	8,01%
From foreign collective management organizations	75,653	4,534	5,99%
For domestic collective management organizations	165,457	13,832	8,36%
Total for collective management	1,139,001	155,068	13,61%
Agency activities	5,998	357	5,95%
Total incl. agency representation for authors	1,144,999	155,425	13,57%
Other income	7,749		
Total incl. agency representation for authors and other income	1,152,748	155,425	13,48%

* in thous. CZK / excl. VAT

** in thous. CZK / excl. VAT and net of income tax and overhead deficit

The government measures mentioned above had a tragic impact mostly on public music performances. They affected both the area of licensing live music productions, which dropped by 52% year on year, and the whole area of reproduced music (incl. cinemas and jukeboxes and incl. collection for other domestic collective rights management organizations) with a year-on-year decrease by 48%. In aggregate, OSA thus collected half the amount in 2020 for public music performances compared to the previous period, namely CZK 328,650 thousand less. The resulting drop will be even worse since even in 2021 OSA refunds paid royalties to users related to 2020.

PUBLIC PERFORMANCES IN 2020

The area of public music performances was affected in 2020 by the implemented government measures and the declared state of emergency in a way that was completely unprecedented. Bans or restrictions of mass events based on the number of participants and repeated closures of shops and service establishments in the course of the year had a significant impact on the results of public music performance licensing.

Therefore, in 2020 we collected CZK 340,145 thousand in total for public music performances (incl. collections for other domestic collective

49%

year-on-year decrease in the area of public music performances

On the other hand, the internet sector benefited from the coronavirus crisis the most, with a year-on-year increase by CZK 29,669 thousand, which represents a surge by 57% compared to 2019. The segment of television broadcasting also experienced a great increase in collection year on year. However, it was significantly affected by the settlement for previous periods and also by the fact that lower receipts of television broadcasters from advertisements during the crisis will only reflect in OSA collection in 2021.

The resulting structure of collection for granted licenses (incl. collection for other domestic collective rights management organizations) in 2020 was as follows: broadcasting and on-line media 50.00% (34.06% in 2019), public operation 29.71% (48.48%), mechanical and audiovisual 13.16% (11.22%), from abroad 6.61% (5.73%) and agency activities 0.52% (0.51%).

* all amounts in the text are stated without VAT

rights management organizations), i.e. 49% less year on year compared to 2019. Out of which collection for music authors was CZK 221,645 thousand (i.e. by CZK 225,541 thousand less year on year) and collection for other domestic collective rights managers was CZK 118,500 thousand (i.e. by CZK 103,109 thousand less year on year).

The receipts of OSA for licensing of live music productions dropped by CZK 104,352 thousand, which represents a 52% decrease. The segment of reproduced music licensing (without cinemas and jukeboxes), since 2018 with a single contact and collection point for all other domestic collective rights management organizations (DILIA, INTERGRAM, OAZA and OOA-S), experienced a year-on-year income drop by CZK 212,798 thousand (incl. collections for other domestic collective rights management organizations), i.e. 47% less compared to the preceding period. For music authors, OSA collected CZK 110,111 thousand less for reproduced music (without cinemas and jukeboxes), for other domestic collective rights management organizations CZK 102,687 thousand less for the same segment. The receipts for licenses granted to cinema operators plunged by 59% year on year.

* all amounts in the text are stated without VAT

BASIC STRUCTURE OF LICENSE REVENUES

	2016	2017	2018	2019	2020	2020/2019 difference
Public performances	358,561	381,257	377,995	447,186	221,645	-225,541
Broadcasting and online media	391,115	408,671	417,906	469,832	572,539	102,707
Mechanics and audiovision	100,580	98,879	114,734	108,143	103,707	-4,436
From abroad	61,706	63,875	57,162	79,018	75,653	-3,365
Agency representation for authors	6,323	6,457	5,412	7,094	5,998	-1,096
Total for OSA and foreign rights holders	918,285	959,139	973,209	1,111,273	979,542	-131,731
Collected for other domestic collective management organizations	77,480	80,080	262,976	268,220	165,457	-102,763
Total incl. other domestic collective management organizations	995,765	1,039,219	1,236,185	1,379,493	1,144,999	-234,494

* in thous. CZK / excl. VAT

PUBLIC PERFORMANCES

	2016	2017	2018	2019	2020	2020/2019 difference
Live performances	143,383	147,653	166,768	199,221	94,869	-104,352
Background music	199,211	218,266	194,711	229,101	118,990	-110,111
Cinemas	13,539	13,832	15,528	17,993	7,342	-10,651
Jukeboxes	2,428	1,506	988	871	444	-427
Total for OSA and foreign rights holders	358,561	381,257	377,995	447,186	221,645	-225,541
Collected for other domestic collective management organizations	44,243	43,593	202,947	221,609	118,500	-103,109
Total incl. other domestic collective management organizations	402,804	424,850	580,942	668,795	340,145	-328,650

* in thous. CZK / excl. VAT

BROADCASTING, ON-LINE MEDIA AND MECHANICS IN 2020

The proportion of OSA collection from licensing activities for the department of broadcasting, on-line media and mechanics in 2020 was the total amount of CZK 723,203 thousand (incl. collection for other domestic collective rights management organizations). The collection of this department increased by 16%, i.e. by CZK 98,617 thousand year on year.

* all amounts in the text are stated without VAT

BROADCASTING AND ON-LINE MEDIA

Even in 2020, the long-term trend of collection in broadcasting and on-line media was confirmed. The total collected amount of CZK 572,539 thousand represents a year-on-year collection increase by 22%, i.e. by CZK 102,707 thousand.

MECHANICS AND AUDIOVISUAL

The area of licensing mechanical rights and audiovisual works (i.e. the area most affected by the new trends in the music market development represented in particular by the transition from physical media to new media) has experienced the least dynamic development in the long run. In 2020, in a year-on-year comparison, the receipts from private copying for music authors decreased slightly (by CZK 2,705 thousand). Another historic bottom was reached by collection for licensing of music media, due to the year-on-year decrease in receipts from central media licensing by CZK 2,785 thousand.

The results achieved in the segment of television broadcasting licensing specially contributed to the situation in 2020, with a year-on-year collection increase by CZK 72,712 thousand. The transition to a new business model has a positive effect here, too. However, it should be noted that the lower receipts of television broadcasters from advertisements in 2020 will only be reflected in OSA collection next year since they are reported retrospectively. Moreover, a significant portion of the collection received for television broadcasting and broadcasting transmission were retrospective settlements for previous periods. The segment of the internet and mobile networks grew significantly in terms of collection (without the help of the past and not at the expense of future income), whose gradual growth trend was further strengthened by the covid crisis, contrary to the majority of other areas. The year-on-year increase in collection in this segment (mostly thanks to internet streaming) reached CZK 29,669 thousand, which equals to a 57% increase.

* all amounts in the text are stated without VAT

Receipts from private copying compensate to the authors the drop in royalties from sales of physical media that resulted from the fact that each of us can get a copy of their favourite album or film for personal use completely legally and without the author's consent. By way of contrast – in 1998, the receipts from music and film media for music authors were CZK 124,976 thousand (receipts from private copying additional CZK 1,267 thousand), in 2020, the receipts from private copying for music authors were CZK 83,817 thousand (receipts for film and music media were additional CZK 15,010 thousand).

* all amounts in the text are stated without VAT

Even in 2020, the long-term trend of collection in broadcasting and on-line media was confirmed.

BROADCASTS AND ONLINE MEDIA

	2016	2017	2018	2019	2020	2020/2019 difference
Radio broadcasts	82,166	76,312	78,798	76,074	76,081	7
Television broadcasts	212,761	210,123	217,318	237,569	310,281	72,712
Cable retransmission	80,232	97,204	89,732	104,310	104,450	140
Internet and mobile networks	15,554	24,741	31,673	51,609	81,278	29,669
Ringtones	402	291	385	270	449	179
Total for OSA and foreign rights holders	391,115	408,671	417,906	469,832	572,539	102,707

* in thous. CZK / excl. VAT

MECHANICS AND AUDIOVISION

	2016	2017	2018	2019	2020	2020/2019 difference
Music carriers	20,441	17,807	15,535	16,240	14,909	-1,331
Audiovisual carriers	874	1,112	962	607	101	-506
Other use	4,342	4,606	5,047	4,774	4,880	106
Private copying	74,923	75,354	93,190	86,522	83,817	-2,705
Total for OSA and foreign rights holders	100,580	98,879	114,734	108,143	103,707	-4,436
Collected for other domestic collective management organizations	33,237	36,487	60,029	46,611	46,957	346
Total incl. other domestic collective management organizations	133,817	135,366	174,763	154,754	150,664	-4,090

* in thous. CZK / excl. VAT

AGENCY REPRESENTATION OF AUTHORS IN 2020

Receipts decreased by CZK 1,096 thousand year on year, i.e. by 15%, were reported by agency activities in 2020 as a result of a 44% year-on-year plunge in receipts from theatre performances. All theatre activities were significantly negatively influenced by government measures in 2020 (mass event bans), implemented in relation to the covid-19 epidemic. On the contrary, the receipts from licenses granted for radio advert production increased by CZK 1,412 thousand.

* all amounts in the text are stated without VAT

COST OF OSA ACTIVITIES IN 2020

Total costs expended on OSA activities in 2020 amounted to CZK 155,425 thousand*, which represents an 8% decrease compared to 2019, i.e. year on year, our costs were CZK 12,984 thousand lower. The costs in 2020 were also affected by the fact that a number of OSA employees could not perform their work due to impediments to work (during lockdowns imposed by the government). To cover at least a part of the expended wage costs for these employees, OSA drew state employment aid within the Antivirus scheme in 2020. The average overhead cost (calculated as the proportion of cost to collection) amounting to 13.48% was 1.34% higher than in 2019, mostly due to the nearly 17% drop in OSA collection. OSA costs reduced by costs re-invoiced to other domestic collective rights management organizations amounted to CZK 141,593 thousand.

* after entering the overhead deficit, total cost amounted to CZK 153,367 thousand

COLLECTION FROM ABROAD IN 2020

For the OSA repertoire used abroad, foreign collective rights management organizations sent us royalties amounting to CZK 75,653 thousand. This is the second highest collection since 2004. It was only 4% lower than the collection in 2019 which, however, was significantly affected by the supplementary charge for the previous period from GEMA, a German collective rights management organization. Year on year, the highest increase was in the collection from Serbia, Slovakia and Austria. On the other hand, the largest decrease in foreign income of OSA in 2020 was from Germany (however, here the receipts in the compared year of 2019 were increased by the supplementary charge mentioned above) and Great Britain.

* all amounts in the text are stated without VAT

AGENCY ACTIVITIES

	2016	2017	2018	2019	2020	2020/2019 difference
Synchronization	2,104	1,336	707	1,579	2,622	1,043
Theater performances	4,213	5,110	4,554	5,406	3,053	-2,353
Other (sheet music etc.)	6	11	151	109	323	214
Total for OSA and foreign rights holders	6,323	6,457	5,412	7,094	5,998	-1,096

* in thous. CZK / excl. VAT

COSTS OF OSA

	2016	2017	2018	2019	2020	2020/2019 difference
Total costs	142,407	151,596	147,383	168,409	155,425	-12,984

* in thous. CZK / excl. VAT / net of income tax and overhead deficit in 2020

STRUCTURE OF THE COSTS OF OSA IN 2020

Services	24,032
Depreciation and provisions	11,425
Other operating costs	3,095
Taxes and fees	655
Material consumption	1,971
Energy consumption	985
Contributions to BIEM, CISAC	1,468
Total costs net of personnel costs	43,631
Personnel costs incl. benefits and emoluments	83,012
Statutory social insurance	28,782

* in thous. CZK / excl. VAT and net of income tax and overhead deficit. After accounting for overhead deficit of CZK 2,058 thous. services costs were CZK 21,074. thous.

ROYALTIES FOR DOMESTIC REPERTOIRE USED ABROAD IN 2020

	in thous. CZK / excl. VAT	Share in %
Germany	25,390	33,56%
Slovakia	15,105	19,97%
Austria	9,061	11,98%
Hungary	4,146	5,48%
Serbia	3,522	4,66%
USA	3,101	4,10%
The Netherlands	2,671	3,53%
Switzerland	2,559	3,38%
France	2,553	3,37%
Poland	1,498	1,98%
Other	6,047	7,99%
Total for OSA	75,653	100,00%

* in thous. CZK / excl. VAT

DEVELOPMENT OF ROYALTIES COLLECTED FROM ABROAD

	2016	2017	2018	2019	2020	2020/2019 difference
Total for OSA	61,706	63,875	57,162	79,018	75,653	-3,365

* in thous. CZK / excl. VAT

04

**DISTRIBUTION
AND PAYMENT**

DISTRIBUTION OF ROYALTIES

In 2020, OSA distributed to rights holders and transferred to other domestic collective management organizations a total amount of CZK 882,796 thousand (incl. the distributed overhead surplus from 2019) in royalties. To music authors and publishers, OSA distributed CZK 731,171 thousand; CZK 533,857 thousand to domestic and CZK 197,314 thousand to foreign. To other domestic collective rights management organizations (based on their authorization to license their repertoire), OSA transferred CZK 151,625 thousand. The decrease rate of the total distributed/transferred amount thus de facto copied the decrease rate of the total collection. For 2020, OSA allocated CZK 39,069 thousand in non-distributable amounts.

ROYALTIES DISTRIBUTED

	2019	2020	2020/2019 difference
Authors	319,054	298,709	-20,345
Publishers	258,630	235,148	-23,482
Total domestic rights holders	577,684	533,857	-43,827
To abroad	233,973	197,314	-36,659
Total distributed to OSA and foreign rights holders	811,657	731,171	-80,486
Transferred to other domestic collective management organizations	245,488	151,625	-93,863
Total distributed, incl. royalties transferred to other domestic collective management organizations	1,057,145	882,796	-174,349

* in thous. CZK / excl. VAT

NUMBER OF AUTHORS AND PUBLISHERS TO WHOM ROYALTIES WERE DISTRIBUTED

	2019	2020	2020/2019 difference
Domestic	7,474	7,777	303
Foreign	197,473	188,319	-9,154
Total	204,947	196,096	-8,851

* without rights holders who have not concluded an agreement with OSA, have not registered themselves or are not represented by any foreign collective management organization

AVERAGE AMOUNT OF ANNUAL ROYALTY IN 2020

	2019	2020	2020/2019 difference
Total amount distributed to rights holders for the year*	CZK 811,657 thous.	CZK 731,171 thous.	CZK -80,486 thous.
Number of rights holders included in distribution for the year**	204,947	196,096	-8,851
Number of distributed musical works for the year***	1,009,212	950,541	-58,671
Average amount of the royalty distributed 1 rights holder to whom the royalty for the year was distributed	CZK 3,960	CZK 3,729	- CZK 232
Average amount of the royalty distributed per 1 distributed title for the year	CZK 804	CZK 769	- CZK 35

* net of royalties transferred to other domestic collective management organizations / excl. VAT

** without rights holders who have not concluded an agreement with OSA, have not registered themselves or are not represented by any foreign collective management organization

*** only identified titles are included

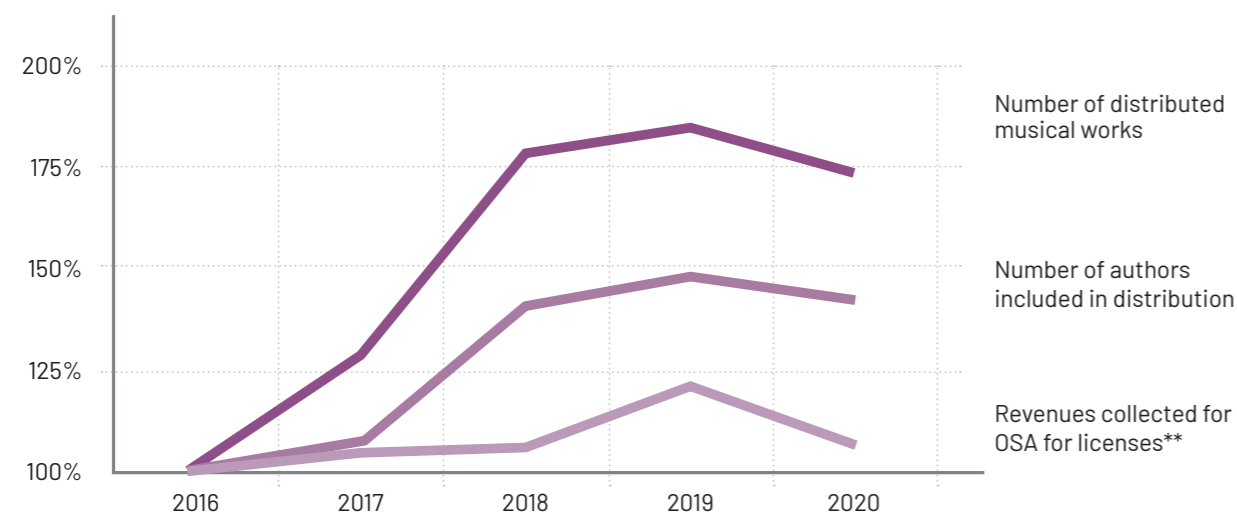
FIVE YEAR COMPARISON FOR 2016-2020

The number of authors and pieces in OSA accounts has been increasing significantly faster than collection in the long term. Therefore, the same collected amount is distributed among a much higher number of authors and publishers. The trend is also confirmed by collection decrease in 2020 as a result of the pandemic crisis - the collection dropped nearly three times compared to the decrease in the number of authors and number of pieces in accounts.

	Difference 2020/2016	
Number of authors included in distribution	+57,758	+42%
Number of distributed musical works	+404,519	+74%
Revenues collected for licenses**	+ CZK 61,257 thous.	+7%

* reference year 2016 = 100%

** net of the revenues collected for other domestic collective management organizations and net of other revenues collected / excl. VAT



PAYMENT OF ROYALTIES

We pay royalties both to domestic and foreign rights holders regularly on four payment dates – in March, June, September and December; in this way, we have managed to reduce the time gap between the use of the music and the payment. Since 2010 when the quarterly final statement was introduced, OSA sets the trend in the swiftness of royalty payment. We rank among the fastest ones in international comparison in this area.

WE PAY THE ROYALTIES FOUR TIMES A YEAR

	March	June	September	December
Where was the composition used?	When was the composition used?			
Live performances	November–February	February–May	May–August	August–November
Background music	4 th quarter	1 st quarter	2 nd quarter	3 rd quarter
TV	September–November	December–February	March–May	June–August
Radio	4 th quarter	1 st quarter	2 nd quarter	3 rd quarter
Internet, mobile and similar networks	4 th quarter	1 st quarter	2 nd quarter	3 rd quarter
Physical media	4 th quarter	1 st quarter	2 nd quarter	3 rd quarter

* the table contains information applicable to most uses included in the segments in question, however some other uses can have different final statements

ROYALTIES DISTRIBUTED ABROAD

THE BIGGEST FOREIGN RECIPIENTS OF ROYALTIES COLLECTED IN THE CZECH REPUBLIC

	in thous. CZK	Share in %
USA	67,057	33,98%
Great Britain	36,639	18,57%
Germany	25,293	12,82%
France	17,585	8,91%
Slovakia	13,881	7,04%
Austria	4,885	2,48%
Canada	4,621	2,34%
Italy	3,658	1,85%
Sweden	3,231	1,64%
Australia	2,690	1,36%
Other	17,774	9,01%
Total	197,314	100,00%

* other – Albania, Algeria, Argentina, Armenia, Australia (+ New Zealand), Azerbaijan, Barbados, Belgium, Belarus, Benin, Bolivia, Bosnia and Herzegovina, Brazil, Bulgaria, Burkina Faso, Monte Negro, China, Denmark, the Democratic Republic of Congo, Dominican Republic, Egypt, Ecuador, Estonia, Philippines, Finland, French Polynesia, Ghana, Georgia, Guatemala, Guinea, Hong Kong, Chile, Croatia, India, Indonesia, Ireland, Iceland, Israel, Jamaica, Japan, South Africa, South Korea, Kazakhstan, Kenya, Columbia, Republic of the Congo, Costa Rica, Cuba, Kyrgyzstan, Lithuania, Latvia, Macao, Madagascar, Hungary, Malaysia, Malawi, Mali, Mauritius, Mexico, Moldavia, Namibia, Nigeria, Norway, New Caledonia, Paraguay, Peru, Poland, Puerto Rico, Portugal, Romania, Russia, Greece, Senegal, North Macedonia, Singapore, Slovenia, Serbia, Saint Lucia, Spain, Switzerland, Tanzania, Thailand, Taiwan, Trinidad and Tobago, Turkey, Uganda, Ukraine, Uruguay, Venezuela, Vietnam, Zambia, Zimbabwe incl. other territories controlled by partner copyright societies residing in the above territories

THE COMPLETE LIST OF OUR PARTNER FOREIGN COLLECTIVE MANAGEMENT ORGANIZATIONS TO WHICH WE SENT ROYALTIES IN 2020 FOR RIGHTS HOLDERS WHOSE RIGHTS THEY MANAGE:

Society	Country
ABRAMUS	Brazil
ACUM	Israel
AGADU	Uruguay
AKKA/LAA	Latvia
AKM	Austria
ALBAUTOR	Albania
AMCOS	Australia + New Zealand
AMRA	USA
APRA	Australia + New Zealand
ARTISJUS	Hungary
ASCAP	USA
AUME	Austria
AUTODIA	Greece
BMI	USA
BUMA	Netherlands
CASH	Hong Kong
EAU	Estonia
GCA	Georgia
GEMA	Germany
HDS-ZAMP	USA
IMRO	Ireland
JACAP	Jamaica
JASRAC	Japan
KODA	Denmark
KOMCA	South Korea
LATGA-A	Lithuania
MCPS	Great Britain
MCSC	China
MESAM	Turkey
MSG	Turkey
MUSICAUTOR	Bulgaria

Society	Country
MUST	Taiwan
NCB	Scandinavia
PRS	Great Britain
RAO	Russia
SABAM	Belgium
SACEM/SDRM	France
SACM	Mexiko
SADAIC	Argentina
SAMRO	South Africa
SAYCO	Columbia
SAZAS	Slovenia
SBACEM	Brazil
SCD	Chile
SESAC	USA
SGAE	Spain
SIAE	Italy
SOCAN/SODRAC	Canada
SOCINPRO	Brazil
SOKOJ	Serbia
SOZA	Slovakia
SPA	Portugal
STEF	Iceland
STEMRA	Netherlands
STIM	Sweden
SUISA	Switzerland
TEOSTO	Finland
TONO	Norway
UBC	Brazil
UCMR-ADA	Romania
VCPMC	Vietnam
ZAIKS	Poland

05

OSA AND LAW

OSA ACTIVITIES IN THE AREA OF LAW

LEGAL RISKS

Legal risks faced by the area of copyright in a wider context, lie in several disputable moments. The unclear interpretation of the copyright act in essential areas greatly contributes to the licenses for certain types of use being withheld or the collected royalties being reduced and costs increased due to handling disputes through mediators or courts. Moreover, the vague legal basis for using copyrighted works on the Internet is another big issue. The situation described above has not changed even after the copyright act amendment since, regardless of warnings by the collective rights management organizations, the amendment includes provisions with unclear interpretation and unfortunately also such that may considerably complicate the collective rights management. This applies in particular to the ambiguous regulation governing the process of fee rates negotiation implemented by the copyright act amendment from April 2017. Other factors contributing to the larger degree of legal uncertainty in the sphere of our interest include purpose-led initiatives striving to suppress authors' rights. In this respect, not only the work users concerned are active but also some representatives of

the executive, presenting initiatives restricting authors' rights, as demonstrated mostly during the passing of the copyright act amendment by the Parliament of the Czech Republic or in the new legislative proposals in the Chamber of Deputies prints No. 400 and 402.

IMPLEMENTATION OF EU DIRECTIVES

In 2019, the Ministry of Culture initiated implementation work that was to peak in the following year and aimed to implement Directive (EU) 2019/789 into Czech law (directive on transmissions of broadcasting) and Directive (EU) 2019/790 (on copyright).

OSA actively participated in consultations of the amendment proposals. The first draft was presented for comment procedure in November 2020. The proposal in question can be judged relatively positively; however, the amount of substantial comments of the concerned entities and state authorities show that before the proposal is passed to the Chamber of Deputies, there will be a lot of changes. OSA is monitoring the situation.

COURT DECISIONS

The Municipal and High Court in Prague treated the action filed by OSA for unjust enrichment that occurred on the part of a television broadcaster that was using works from OSA repertoire without a license agreement. Within the interim judgements and the decision on the merits, the construction of OSA royalty rate list for broadcasting was accepted by the court referring to previous case law of the High Court that basically considers the rate list of a collective rights manager to have the value of usual royalties. The judgement imposed the obligation on the defendant to return the unjust enrichment to OSA.

OSA has also been trying to enforce authors' rights in the Internet environment, in particular in the year-long dispute with the operators of Hellshare and Hellspy. An action against these services was filed in 2014. In spring 2019, the Municipal Court in Prague concluded that

OSA is not an active legitimated plaintiff and rejected the action referring to the fact that even in the case of active legitimation, it is not obvious that the services in question infringe the authors' rights and that, on the contrary, by cancelling them, the authors' rights could be harmed. OSA lodged an appeal against the decision, which was upheld by the High Court in Prague by decision No. 3 Co 85/2019 and by its ruling, returned the case to the Municipal Court in Prague. Most importantly, the High Court clearly stated that the collective rights manager is entitled to file actions not only for consideration but also claims seeking a prohibitory injunction, accommodating attitude of the public to copyright protection.

In relation to reproduced music, OSA filed an action demanding the repayment of unjust enrichment for unauthorized use of works of music in the period from 1 September 2015 to 30 June 2016 through a radio in a clothes shop. The Municipal Court concluded that by the submitted recordings of conducted inspections and video recordings, the use had been sufficiently proven. The court stated the use of reproduced music through a radio had been established, and an audiovisual recording had been made. All the recordings include the name of the radio station. Based on the video recordings, the Municipal Court established the shop concerned was owned by the accused company and music was clearly audible. By



its ruling No. ÚS 1598/19 of 27 December 2019, the Constitutional Court cancelled the decision of the Municipal Court in Prague. According to the Constitutional Court, the proceedings before the Municipal Court did not prove the accused really made available (or could have made available with the maximum possible probability) the production of the persons whose copyright OSA manages. In the proceedings before the Municipal Court in Prague, OSA subsequently submitted additional materials based on which the Municipal Court decided in favour of OSA again.

In 2020, the so-called spa cases were also formally concluded, when in the last unsettled dispute concerning the use in 2009 and 2010, the accused applied for a review with the Supreme Court, to which the Court issued a statement only in November 2020. The court resolution rejected the appeal as inadmissible. These lengthy and costly cases are a clear proof of the unsuitability of copyright act changes that are in direct contradiction to European law.

In its decision of 18 December 2019, the Office for the Protection of Competition (UOHS) imposed a fine on OSA of CZK 10,676 thousand. UOHS accuses OSA that in 2008 to 2014 when collecting royalties from accommodation establishments, OSA did not account for the room occupancy, which supposedly meant it abused its dominant position. OSA filed a remonstrance against the decision which, however, was rejected by the Chairman of the Office on 23 November 2020 and thus the original decision was confirmed. Based on the decision, OSA was obliged to pay the said fine. OSA is defending itself against the UOHS decision by an action in the administrative judicial system and in the event of success the fine will be repaid to OSA.

In case C-372/19, the Court of Justice was considering the rates of Belgian collective rights manager for use of works of music by their live performances. Most importantly, it was stated the royalty rates may be determined as a percentage of gross receipts of the organizer from tickets sales for a given production. Also, if other conditions are met, scaled lump sum royalty fees may be applied. OSA reflects both the decision in its practice.

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2020 OSA Yearbook

released by: OSA – Ochranný svaz autorský pro práva k dílům hudebním, z. s.

concept and design © 2021 Zdeněk Krejčí (wert.cz)

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