



SAZAS

RULES ON DEDICATED FUNDS

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At its meeting from 31 August 2023 and in accordance with the 8th indent of the first paragraph of Article 25 of the Collective Management of Copyright and Related Rights Act (Official Gazette of the Republic of Slovenia No. 63/2016 and 130/22, hereinafter: the ZKUASP), the Assembly of Members of SAZAS Society (hereinafter: the Society) adopted the following:

RULES ON DEDICATED FUNDS

Article 1

These rules establish the methods of creation of dedicated funds, and the payment and use of the assets from these funds, established by the Society.

Furthermore, these rules determine the transparency of the operations and the usage of assets of dedicated funds.

Article 2

The provisions of these rules shall be observed in accordance with the provisions of the ZKUASP, the Copyright and Related Rights Act (hereinafter: ZASP), and the Statute of the Society (hereinafter: Statute).

Article 3

Dedicated funds are separate dedicated assets, established to promote cultural/artistic creation and spread new copyrighted works in areas that are important for preserving cultural diversity or for social/educational purposes.

The recipients of assets from dedicated funds for promoting cultural/artistic creation and spreading new copyrighted works in areas that are important for preserving cultural diversity, are undiscovered authors with a permanent residence in the Republic of Slovenia. The recipients of assets intended for social/educational purposes are authors with permanent residences in the Republic of Slovenia or organisations/third parties providing educational/social services to authors.

Article 4

An undiscovered author is an author who:

- is a holder of a copyright for a musical work and whose public work is part of the Society's repertoire and whose annual income from royalties paid by the Society has not exceeded the minimum gross wage in the Republic of Slovenia in every individual year over the period of the last five consecutive years, and
- is not a recipient of an award, determined by law, in the field of musical creation.

An unrecognised author is also an author who does not meet at least one of the requirements from the previous paragraph but wishes to establish themselves in musical genres outside their primary area of musical work or would like to establish themselves outside of the Republic of Slovenia.

Article 5

According to the Statute, the Society can form different dedicated funds for the purposes set forth in the first paragraph of the previous article and in the ZKUASP.

Should the Society have any undistributed royalties, it shall include them in dedicated funds.

The assets of individual funds are kept separate on the Society's account.

Article 6

The Assembly of the Society (hereinafter: Assembly) shall decide on forming dedicated funds and defining the criteria on the allocation of funds from the dedicated funds.

The Assembly shall also decide on the name of a particular fund, the purpose of establishing the fund, the amount of assets allocated into the fund, the rules about awarding assets from a fund, which include clearly set goals, terms, criteria, and methods for the award of assets, internal supervision over the operations of the fund, the method of reporting about the operations of the fund, and the procedure of a potential liquidation of a fund.

Article 7

The Society may allocate a maximum of ten percent (10%) of collected royalties to dedicated funds.

The amount of payment into an individual dedicated fund is defined by the Assembly with the majority of at least three quarters of the present members with voting rights.

Article 8

The procedure of awarding assets from dedicated funds to promote cultural/artistic creation and spread new copyrighted work in areas that are important for preserving cultural diversity is performed based on the candidate's application.

A candidate can submit the application based on the tender that the Society publishes on its website at least twice a year.

The above application shall include:

- the candidate's name and the address;
- a short project presentation;
- the goal and purpose of the project;
- the time frame of the execution of the project;
- the financial plan and the expected amount of assets from the fund;
- the circumstances based on which the candidate believes that they are entitled to receive the assets from a dedicated fund in accordance with the first paragraph of this article.

Article 9

The assets for educational purposes are intended to pay for authors' education and consequently raising awareness of the interested public about the importance of copyrights.

The procedure of awarding assets from the educational purpose fund is performed based on the candidate's application.

A candidate can submit the application based on the tender that the Society publishes on its website at least twice a year.

The above application shall include:

- the candidate's name and the address;
- a short project presentation;
- the goal and purpose of the educational project;
- the time frame of the execution of the educational project;
- the financial plan and the expected amount of assets from the fund.

Article 10

The assets from the dedicated fund for social purposes are intended to improve authors' welfare and help them in emergency cases.

The procedure of awarding assets from the dedicated fund for social purposes to improve authors' welfare and help them in emergency cases, is performed based on the candidate's application.

The above application shall include:

- the candidate's name and the address;
- the circumstances based on which the candidate believes that they are entitled to receive the assets from a dedicated fund in accordance with the first paragraph of this article.

Article 11

The standards for awarding assets from dedicated funds are fair and includes the following criteria:

- the social/cultural/educational contribution of the applied project;
- the proportionality of the amount of assets applied for depending on the total value of the project and the amount of available assets of the dedicated fund;
- equal representation of various genres by the projects in the current financial year;
- the role of potential other shareholders involved in the project.

Article 12

The management of the Society (hereinafter: Management) shall decide on awarding the assets no later than 30 days after the deadline for submitting the application.

Should the candidate meet all the necessary requirements for the award of assets, the Management shall decide on the amount awarded.

Should the candidate fail to meet the necessary requirements for the award of assets or should all the assets be consumed, the Management shall reject the application. The candidate shall be informed of this in writing.

Should a decision on an essentially equivalent application already been made, the Management shall dismiss the application. The candidate shall be informed of this in writing.

Article 13

Following the award of assets from the fund, the recipient and the Society shall conclude a written contract with provisions determining the purpose and method of use of awarded assets.

The recipient shall submit adequate evidence on the use of awarded assets, as provided for by the contract. The format, content, and effects of the contract are subject to the rules of contract law.

Should the recipient of the fund assets breach the provisions from the contract, stated in the first paragraph of this Article, the Management shall decide to not award assets from the said funds to the said recipient for a period no longer than five (5) years, while the awarded assets shall be returned in 30 days after the identified breach.

Article 14

The Assembly shall adopt an investment policy to manage the assets in dedicated funds with the purpose to protect and ensure profitability of the assets, including potential growth of the value of the single fund.

The investment policy shall reflect the ZKUASP provisions and the Rules on Risk Management.

Article 15

The operational costs of the fund are charged to the individual dedicated fund.

Article 16

For the purposes to produce the annual report, the Management shall prepare a report on the use of the assets from dedicated funds.

The report on the use of assets from dedicated funds shall be made for each individual dedicated fund.

The information on the distribution of royalties into the dedicated funds shall be disclosed in a separate report on the use of assets from dedicated funds, broken down by type of copyright and type of use, and the spending of the assets from these dedicated funds shall be fully explained by providing information about the recipient and the amount of received assets, and indicate the total amount of assets in an individual dedicated fund.

Article 17

At least one per year, the Society shall inform every rights holder, to whom it has awarded or paid royalties, about the amount of deductions included in dedicated funds.

At least one per year, the Society shall inform foreign collecting societies for which it manages their rights based on a representation agreement via electronic means about the amount of deductions included in dedicated funds.

Article 18

These rules become effective the day following their adoption at the Society's Assembly.

On the day when these rules enter into force, the Rules on Dedicated Funds adopted by the Society on 18 October 2017 together with all their amendments cease to be valid.

Article 19

The Society shall publish these rules on its website.