

IFRRO Board Report 2018

This report covers the period 1 July 2017 – 30 June 2018.

1. Organisational Overview

1.1. Board Representation

In the period under review, the Board of Directors was comprised of:

Presidency: Rainer Just (VG Wort), President; Yngve Slettholm (Kopinor), First Vice President and Tracey Armstrong (CCC), Second Vice President and Treasurer.

Directors: Sandra Chastanet (CFC), Vincent van den Eijnde (Stichting Pictoright), Mat Pfleger (CLA), Benoît Proot (Reprobel) and Eefke Smit (IPRO).

Substitute Directors: Ana María Cabanellas (IPA), Edward Hasbrouck (NWU/IFJ), Samantha Holman (ICLA) and Dora Makwinja (COSOMA).

In December 2017, Benoît Proot (Reprobel) stepped down from the Board. At its meeting in February 2018 the Board decided to appoint Dora Makwinja (COSOMA) to fill his position until the next Board elections at the Annual General Meeting in 2019.

In the period under review, Caroline Morgan served as CEO and Secretary General.

The Board met three times in the period under review: 6 November, 2017 in Tokyo, 26 February, 2018 in Geneva and 27 May, 2018 in Brussels.

1.2. Membership

As at 30 June 2018, IFRRO has 150 members in 85 countries. One hundred and one members are RROs, of which 27 are Associate RROs and 13 Provisional RRO members. There are 49 Creator or Publisher Association Members.

In the period under review, six organisations became members of IFRRO: VISDA, EGITIM YAYBIR, STICHTING PRO, SODAV, EFJ and COSBOTS and five organisations cancelled their membership with IFRRO: PA, APA, SAVA, AGE COP and VISCOPY (merged with Copyright Agency).

Collected fees by RROs decreased, mainly due to exchange rate movements, to €979 million, from €1,058 million in 2017.

1.3. Strategic Plan

In February 2018, the Board adopted a new Strategic Plan, to guide IFRRO's activities in the period 2018 – 2020 and also adopted a revised mission and purpose.

IFRRO's Mission:

to develop and support an efficient and effective network of collective management organisations, including RROs, around the world to ensure the copyright of authors, visual artists and publishers is valued when their works are reproduced and used.

IFRRO's Purpose:

to advocate for copyright and the creative sector and build a strong and resilient RRO network that supports the rights of creators and publishers, including economic and moral rights.

The new Strategic Plan has two objectives, **to Advocate for Copyright and the Creative Sector** and also to **Build a Strong and Resilient RRO network**. A copy of the Strategic Plan is available on the [Members Only](#).

2. Policy and Strategic Developments

In the year under review, activities continued on a strategic response to the developments facing IFRRO and its members. These developments include:

2.1. Author and Publisher Participation in RROs

Cooperation between authors and publishers, and the understanding that both have a right to share in remuneration, in relation to the secondary reproduction of published works is fundamental to the successful operation of RROs.

In last year's Annual Report, we commented on the challenges facing the current RRO model of operation as a result of the decision of the Court of Justice of the European Union (CJEU) in the litigation between HP Belgium and Reprobel, and that of the German Federal Court of Justice in the Vogel case against VG Wort.

We also reported that the IFRRO Task Force (TF) on this issue had concluded that Article 12 of the proposed Copyright in the DSM Directive, would, if implemented provide the necessary long-term solution. This recommendation was endorsed by the Board and forms the basis of IFRRO's position on Article 12 of the proposed DSM Directive.

The Article 12 TF was reconvened in June 2017 to provide advice and assistance to the Secretariat on lobbying in the European Parliament and Council on Article 12.

Although there have been positive developments in Spain, where private copying levies have been reintroduced and should be distributed to both authors and publishers, the situation in Germany remains challenging and in Greece the visual artists and the photographers have taken legal action against OSDEL for payments made to publishers.

Outside the EU, the participation of both authors and publishers remains the norm in RRO's activities and distribution, including for those RROs that administer private copying and reprography levies.

2.2. Exceptions and Limitations

There is a well organised and well-resourced campaign taking place to undermine the copyright system. The major platforms, which are behind this campaign, fund a variety of lobby groups and academics to promote the idea of a free and open internet, with a disingenuous disregard for how the copyright system supports the expression of a diversity of cultural viewpoints, drives innovation and is a significant contributor to the economy.

In the case of RROs this is manifested as pressure for wider exceptions to copyright without payment and lower licensing fees. The justification for this campaign is that this wider unpaid access to copyright content is necessary in the public interest.

IFRRO's role in responding to this campaign is to demonstrate that collective licensing solutions guarantee affordable access to works and at the same time rewards the creativity of authors and publishers – in each of the developed and the developing world. We must also work with our partners to respond to proposals to expand exceptions and limitations to copyright at a national and supra national level.

2.2.1. WIPO

The two WIPO SCCR (Standing Committee on Copyright and Related Rights) meetings held during the year under review saw continued discussions on exceptions and limitations, with a focus on education, and libraries and archives.

At the most recent SCCR meeting in May, [two action plans](#) on exceptions and limitations were agreed, one for libraries archives and museums and the other for education and research institutions and persons with other disabilities.

The action plan for education and research institutions contemplates a study on digital issues for educational institutions with regard to limitations and exceptions, covering distance learning and MOOCs, to identify possible areas for development at an international level. Demonstrating that the most flexible solutions are found through licensing will be very important as this study proceeds.

2.2.2. European Union

The draft Directive on Copyright in the Digital Single Market ([2016/0280\(COD\)](#)), published by the European Commission in 2016, contains various proposals of concern to IFRRO, including mandatory exceptions for illustration for teaching covering online uses, for libraries to make copies of works for preservation purposes, and for text and data mining. The controversial proposals have continued to be discussed by the EU Council of Ministers and MEPs in the European Parliament over the last year, with the need to reach an agreement becoming increasingly urgent ahead of the European Parliament elections in May 2019.

IFRRO has been active in urging decision-makers to amend the proposed exceptions to find a more balanced approach. At IFRRO's AGM in Tokyo, a [Resolution](#) concerning copyright exceptions was adopted urging EU decision-makers to fully consider the consequences for authors and publishers in the text and image sector. The Resolution underlines that under EU and international law, exceptions and limitations should only be applied in certain special cases which do not conflict with a normal exploitation of the work or other subject matter and do not unreasonably prejudice the legitimate interests of the rightholder. It raises concerns that various proposals under discussion would in fact risk such a conflict with normal exploitation and unreasonably prejudice the legitimate interests of authors and publishers.

The education exception (Article 4) – a key focus of the aforementioned resolution - has been of particular concern. There is no mandatory licence override or mandatory fair compensation (the provisions are optional), so there is no guarantee of a return for rightholders when their works are used. [Communia](#) ran a campaign against licence override in Article 4 and published a report on Educational Licences in Europe, drawing negative conclusions about the collective licensing of education from only a limited analysis. IFRRO subsequently prepared a [response](#) to address a number of errors and mistakes of fact, which invalidate the conclusions drawn in the report. IFRRO, in its written response, as well as at two events at the European Parliament, explained that there are effective collective licensing systems across the EU, with licensing offers covering uses that are not foreseen in copyright exceptions having benefits for teachers and students. The IFRRO response was shared with key EU decision makers as well as publicly on the IFRRO website and via social media.

IFRRO, working together with CFC, has also launched the Content for Education campaign (www.contentforeducation.org), with the support of EVA, EWA, EFJ and FEP, to reinforce our concerns regarding Article 4 (see further details in section 3.1).

2.2.3. National Developments

IFRRO has worked with members in a number of countries to counter proposals to amend national law to widen unremunerated exceptions and limitations, including Australia, Colombia, Ireland, Singapore, South Africa and Turkey.

There have been positive legal developments in Canada, with the first instance decision in the York University case handed down in July 2017. It was a resounding victory for Access Copyright. The judge held that York University's fair dealing guidelines *are not fair in either their terms or their application*.

The Court concluded that the guidelines do not meet the test for fair dealing established by the Supreme Court of Canada. However, York University has appealed the decision and

both York and the other universities in English speaking Canada have continued to refuse to pay royalties on the basis that litigation is ongoing.

In Quebec, Copibec and Laval University announced in June 2018 that they had reached an out-of-court settlement to put an end to the legal dispute between them, ending the litigation that began when Laval University decided not to renew the blanket licence offered by Copibec, and it also ends the class action started by Copibec as part of its proceedings against Laval. The settlement remains subject to the Court's approval. As part of the settlement, Laval will suspend their fair dealing policy that had led to the cancellation of the Copibec licence. Further information as to the terms of the settlement is available [here](#).

2.3. Public Lending Right

The Steering Committee managing the activities of *PLR International* continued its work throughout the year under review.

The Steering Committee represents the key groups working on PLR, authors, visual artists, publishers and RROs. The Steering Committee has eight members: Barbara Hayes (Chair), Carola Streul, Trond Andreassen and Anne Salomaa representing authors, José Borghino and Anne Bergman-Tahon representing publishers and Christian Roblin and Caroline Morgan representing RROs. Jim Parker is engaged as the PLR administrator responsible for carrying forward the activity plan and objectives of *PLR International*.

PLR International has two main objectives:

- Supporting the establishment of PLR systems in EU Member States which have not yet met their obligations under the EU Lending Right Directive, and provide support to improve the operation of existing systems in the EU,
- Outside the EU, provide support for campaigns for PLR that are already underway and publicise the benefits of PLR more widely.

The *PLR International* website is at <https://www.plrinternational.com/>.

The PLR International Conference was held in Paris in September 2017, hosted by SOFIA. Around 70 delegates from 32 countries participated, and the publication [Towards a Charter of Best Practice for PLR](#), available in English, Spanish and French was launched at the meeting.

PLR International is building a relationship with WIPO, with plans underway for another side event on PLR in November 2018. A relationship with WIPO provides a platform for PLR International to interact with governments around the world to promote PLR.

PLR International is also working to increase pressure on those European governments that have not yet met their obligations under the EU Lending Right Directive, meeting with the European Commission to express our concerns, and also monitoring the implementation of the Directive in EU applicant countries.

2.4. Visually Impaired

The [Marrakesh Treaty](#) entered into force on 30 September 2016. There were 41 Contracting Parties at the time of writing (see [here](#)), with the number of ratifications set to rise significantly next year.

The European Commission, Parliament and Council agreed on two compromise texts that were formally adopted by the European Parliament on the 6 July and by the Council on 17 July 2017. The two legislative acts entered into force on 21 September 2017, with a deadline for transposition into national law of 11 October 2018. This means that a further 28 countries shortly will become party to the Marrakesh Treaty.

IFRRO is an active participant in the [Accessible Books Consortium \(ABC\)](#), which plays a practical role in implementation of the Marrakesh Treaty. *Olav Stokkmo* represented IFRRO on the Board of ABC until May 2018, when he was replaced by *Caroline Morgan*. The ABC Board, which is chaired by the WIPO Director General Francis Gurry, also includes representatives from IPA, IAF, publishers, organisations representing people with print disabilities, including the World Blind Union, and libraries serving the print disabled.

ABC has three main activities:

- (i) Inclusive publishing, to increase the number of works published in accessible formats through encouraging enhanced use of the latest version of EPUB3,
- (ii) Sharing of technical skills and know-how through a technical assistance and capacity building programme, primarily directed towards countries under development.
- (iii) Further development of the international database and book exchange, hosted by WIPO.

At the time of writing, 41 Authorised Entities had joined the ABC Global Book Service, contributing over 360,000 titles in 76 languages to the database. Publishers, author and RROs have cleared rights for 25,900 titles. The Board encourages RROs to play an active role in assisting authors and publishers, when they require it, to facilitate the making available accessible format copies of their works, including the clearance of rights for uploading to the ABC database. IFRRO has a dedicated web page on [print disability issues](#), which includes tools developed by IFRRO to assist RROs on the issue, and links to various other resources.

IFRRO has also developed a [Guide for RROs on facilitating access to works for print disabled persons](#), which will be launched at the IWC in Athens. It provides a practical overview of the Marrakesh Treaty and the work of the ABC including examples of how RROs can be involved in facilitating access to works by the print disabled.

2.5. Governance and Transparency

Good governance and transparency are important for RROs as collective management becomes an increasingly important means of access to content. National governments are increasingly looking to regulate CMOs, with several reviews announced or ongoing.

WIPO also remains committed to building a strong collective management sector as part of the digital economy. In the period under review IFRRO has participated in WIPO events focused on developing good governance in collective management organisations in Albania, Bosnia, Kazakhstan, Montenegro, Republic of Korea, Tunisia and Zanzibar.

In addition, WIPO has, with IFRRO's assistance, developed the *WIPO Good Practice Toolkit for CMOs*. The toolkit brings together examples of legislation, regulation and codes of conduct in the area of collective management from around the world. WIPO is clear that the toolkit is not a normative document. Rather, it is an overview of how countries around the world have regulated different aspects of collective management. It is available [here](#).

3. Member Relations, Stakeholders and Communication

The Board recognises that IFRRO's communication activities must enable IFRRO and its members to defend the principles of copyright and authors' rights, embrace the digital environment, and communicate the importance of collective management.

3.1. Communication and Engagement

In the period under review, IFRRO organised or spoke at awareness raising activities and events with national and international audiences in more than 24 countries including:

- Seminars for **government officials and stakeholders**, in Albania, Bosnia, Bulgaria, Cameroon, Guatemala, Kazakhstan, Moldova, Montenegro, Panama, Republic of Korea, Russia, Singapore, Tanzania, Tunisia, Ukraine and Zanzibar.
- Workshops and seminars for **publishers and authors** in Argentina, Cameroon, Colombia, Cote d'Ivoire, Georgia, Japan, India, Nigeria, Republic of Korea, Spain, Tanzania and Tunisia.

In light of the importance of the proposed Copyright in the Digital Single Market (“DSM”) Directive, IFRRO has developed various position papers, as well as co-signing position papers and statements together with other organisations, in order to communicate our concerns to key EU decision-makers.

As regards the proposed exception for illustration for teaching, which is of particular concern, IFRRO has developed an [Infographic](#) to illustrate our concerns and highlight what is at stake.

With the support of our member CFC and European organisations representing authors and publishers, IFRRO also launched the Content for Education campaign in early 2018. The campaign calls for EU decision makers to future-proof educational practices by not allowing for the unlimited and unremunerated copying of content for educational purposes and to ensure that either licence override or fair compensation applies to the compulsory exception.

A dedicated [website](#), which includes short, explanatory videos, describes the current situation and the consequences of a broad exception for illustration for teaching on the creation of quality, innovative content for education in Europe. It also includes testimonials from authors, including writers and literary translators, illustrators and journalists, together with teachers and publishers, from across Europe. The testimonials convey very clearly the shared concerns regarding the potentially negative impact on the quality of education in Europe as well as the commitment to creating quality content. There is also a [petition](#) on the website which allows people to show their support for the campaign.

3.2. Member Relations

IFRRO continues to support members in relation to proposals to amend copyright legislation in their countries. During the period under review IFRRO made submissions on proposed legislation in Australia, Colombia, Georgia, Greece, India, Japan, Kenya, Malta, Romania, Russia, Singapore, South Africa and Zambia. We also made submission to assist the European Union in its trade negotiations with Kazakhstan, Ukraine and the Republic of Korea.

IFRRO held its mid-term meetings in Brussels from 28 to 29 May 2018. Meetings included the European Group, the Legal Issues Forum, the Equipment Levy Forum, the Public Lending Right Forum, the Newspapers and Periodicals Working Group, the Visual Working Group and the Musical Forum.

The agendas for Board meetings are posted on the Board Zone (Members Only section of the IFRRO website) one month prior to the meetings, and Executive News informs the membership’s executives and boards of the most important Board decisions.

The IFRRO Newsletter was published five times while monthly issues of the Information Alert were produced so members can be reminded of important deadlines and information that has been disseminated by IFRRO, and to give them links to articles and events. The IFRRO website is updated on a regular basis as are social media channels such as Twitter and LinkedIn.

4. Business Models and Approaches

4.1. Business Models

The IFRRO International Conference (formerly the International Business Models Forum (IBMF) chaired by Tracey Armstrong (CCC) offers opportunities for the exchange of best

practices and discussions to stimulate development of RRO business models, and for the communication and exchange of views on the digital future.

The forum in November 2017, in Tokyo, focused on how technology and digitisation are reshaping society, what is called Society 5.0 in Japan. The theme of the Congress was - *Copyright, Technology, Transformation*.

In his keynote address, YS Chi, the Chairman of Elsevier reflected on what was changing in our industry and what was constant. He urged participants to be adaptive, but not to question their fundamental and shared purpose of protecting the global ecosystem of innovation that is the content industry. Kevin Fitzgerald, WIPO, spoke to what WIPO was doing to secure the future of the copyright and creative industries and panels explored the lessons to be learned from the aging society, manga culture and the impact of fake news.

4.2. Agreements between RROs

In June 2016, the Board convened the IFRRO *Sample Bilateral Agreements Task Force* which continued its work through 2017 – 18, chaired by Martin Kyst (COPYDAN).

The Taskforce was tasked with reviewing the IFRRO instruments on bilateral agreements. In late 2017, after the Taskforce identified and discussed their proposal for the key issues for review with the Board and membership, a consultation period was opened for member review. Members were asked if there were additional areas for review, or if they felt there were areas that had already been identified that would benefit from additional explanation.

Caroline Morgan presented an overview of responses to the consultation at the Legal Issues Forum in May 2018 (see [here](#)), which indicate that there is consensus from members that the issues identified by the TF are the right ones. Key areas to update encompass data exchange, compliance with the CRM Directive, and the mechanism for information exchange between RROs in a digital environment.

Consensus was that the most urgent issue facing IFRRO members was the impact of GDPR (General Data Protection Regulation, the new EU data protection regime, that has extraterritorial impact) given the importance of data exchange to relations between RROs through bilateral agreements. As a result, the Secretariat obtained legal advice for the IFRRO membership from Benjamin Docquir, a partner at Osborne Clark in Brussels. His advice was presented at the Legal Issues Forum meeting in May 2018. His presentation from that meeting is available for members on the IFRRO website (see [here](#)).

Following that meeting, the Secretariat has prepared a sample variation or supplementary agreement to existing bilateral agreements, to refer to the GDPR. These clauses are available on the IFRRO website (see [here](#)) and will be presented at the Legal Issues Forum meeting in Athens.

In light of the complex nature of some of the issues, and the fact there is no one-size-fits-all approach, preparation of a “toolkit” (rather than a sample agreement) was considered to be the most constructive way forward. The toolkit will review each aspect of a bilateral agreement, explaining why it is important, the key considerations in negotiations, introduce other IFRRO instruments that may be relevant and provides some sample clauses that can be adapted to the particular situation.

4.3. Technical Standards

EDItEUR - IFRRO is a member of EDItEUR, which is responsible for a number of standards of interest to IFRRO members, including ONIX for RROs, and administers the ISTC and ISNI International Agencies. Caroline Morgan represents IFRRO on the Board of EDItEUR.

ISNI (International Standard Name Identifier)- Michael Healy (CCC) chairs ISNI-IA (ISNI-International Association) on behalf of IFRRO. Caroline Morgan is actively involved in the ISNI work for IFRRO, also sitting on the Board. The ISO certified global standard number

(ISNI) aims to identify the millions of contributors to creative works and those active in their distribution. ISNI's mission is to assign to the public name(s) of a researcher, inventor, writer, artist, performer, publisher, etc. a persistent unique identifying number to resolve the problem of name ambiguity in search and discovery and diffuse each assigned ISNI across all repertoires in the global supply chain so that every published work can be unambiguously attributed to its creator, wherever that work is described. The [ISNI database](#) is contributed to by 47 major national and research libraries, institutions and databases. CEDRO, COPYRUS, ICLA and PLS are ISNI members. There are now over 10 million ISNIs, including 9.32 million individuals, of which 2.87 million are researchers and 717,795 organisations. In the year under review, six new ISNI registration agencies began assigning ISNIs, including Youtube. The adoption of ISNI by Youtube points to its flexibility in operating across different content domains.

4.4. Standard Software package for RROs

The Web-based IFRRO standard Software Environment (WISE) for RROs is a cloud-based system for managing rightsholders, works, licensing and distribution. WISE is currently used by five RRO's, ICLA, DALRO, CADRA, CLNZ and Jamcopy. Those RROs report that the system has streamlined their workflows and improved the efficiency of their operations.

5. Strategic Relationships

5.1. WIPO

IFRRO's strong cooperation with WIPO continued in the year under review. Sylvie Forbin is Deputy Director General of the Cultural and Creative Industries' sector at WIPO, responsible for copyright. In December 2017 Kevin Fitzgerald, who was acting Director of the Copyright Infrastructure Division moved into the Cabinet of the Director General and was replaced by Benoit Muller, as acting Director of the Copyright Infrastructure Division.

In conjunction with the IFRRO Board meeting in February 2018, Sylvie Forbin and her team collaborated in a strategy meeting with the IFRRO Board. During the meeting, the Board shared information about IFRRO's strategy, and communicated IFRRO's position on issues such as the role of collective management organisations in the digital economy. The two organisations also shared information about future development activities and priorities.

WIPO continues to engage with stakeholders on building a strong collective management sector. During the year, IFRRO worked closely with WIPO in developing the Toolkit for CMOs, referred to above. IFRRO also participated in WIPO led seminars on good governance and transparency in Albania, Bosnia, Kazakhstan, Montenegro, Republic of Korea, Tunisia and Zanzibar.

IFRRO was also represented at the *High Level Regional Conference on the Publishing Industry in Africa and its Role in Education and Economic Growth*, held by WIPO in Yaoundé, Cameroon on 22 and 23 November 2017, chairing a workshop on developing a flourishing publishing industry, and serving as rapporteur of the workshop on access to educational materials. The Regional Conference, which was attended by representatives of almost all 54 African Countries, developed [two action plans](#), on the publishing industry, and access to educational materials, each of which recognises the important role of collective management organisations.

Efforts continue to have Resale Royalty added to the formal agenda of the SCCR, including a study of the economic implications of the resale right, which was presented at the SCCR meeting in November 2017. Despite support from many Member States, and observers such as IFRRO, the topic has not yet become a standing item on the agenda of the SCCR.

During the year under review, IFRRO provided speakers for and collaborated with WIPO in the organising of 12 conferences, seminars or workshops: three in Africa, seven in Europe,

two in each of Asia Pacific and Latin America. Representatives from over 100 national governments participated in these events.

5.2. European Union

The IFRRO Secretariat has remained in close contact with key decision-makers in the EU Institutions over the last year, in particular, in order to raise awareness of our concerns about the proposed Copyright in the Digital Single Market Directive:

European Parliament: IFRRO continued its outreach with key policy and decision-makers in the European Parliament, with a particular focus on MEPs and advisors in the lead committee, the Legal Affairs (JURI) Committee. IFRRO also attended and intervened in several events in the European Parliament.

Council of the European Union: IFRRO maintained contact with all 28 Member States' permanent representations to the EU, in particular Estonia and Bulgaria, which held the 6-month Council Presidency in 2017 (July-December) and 2018 (January-June) respectively. Austria holds the Presidency until the end of 2018, followed by Romania. The Bulgarian Presidency invited IFRRO to speak at an event in Sofia, relating to the Collective Rights Management (CRM) Directive ([Directive 2014/26/EU](#)). Kurt Van Damme, Legal Director of Reprobel, spoke on behalf of IFRRO about copyright levies in the text and image sector.

European Commission: IFRRO met with both Vice President Ansip and Commissioner Gabriel's advisers in March 2018, followed by a meeting with the Commissioner herself on 17 July 2018. IFRRO has also stayed in regular touch with the Commission's Copyright Unit: Head of Unit, Marco Giorello, discussed the DSM Directive with IFRRO's European Group in May 2018.

The Secretariat is also in contact with the European Commission's Directorate General for Trade as copyright/IPR is an important element of the EU's bilateral trade discussions. During the year under review, the Secretariat met with the Commission and/or made submissions regarding copyright and collective management in Kazakhstan and Ukraine. We also closely monitor the negotiations with China, Turkey, Canada, South Korea, Azerbaijan, Taiwan, Hong Kong and a number of other countries. IFRRO, together with FEP and IPA had a first joint meeting with the European Commission in March 2018 to exchange views on our respective priority countries and agreed to provide input and share information on a case by case basis and also as part of structured projects such as the three IP Key initiatives led by the European Commission to streamline IPR discussions with China, Latin America and South East Asia, liaising with IFRRO members in the region and with Chairs of Regional Development Committees.

5.3. ARIPO

In early June, ARIPO (*African Region Intellectual Property Organisation*), which represents 19 English and Portuguese-speaking Sub-Saharan African countries, organized a major copyright symposium in Harare. The meeting provided an opportunity to review and refocus the previously agreed Strategic Plan for 2017-2020, which includes a focus on CMO development and governance in the 19 countries which are part of ARIPO. The IFRRO CEO participated in this meeting, moderating sessions on the *CMO Toolkit*, and on the *Role of Collective Management Organisations*.

ARIPO was represented at the African Development Committee meeting in Johannesburg in July 2017, and by Maureen Fondo, responsible for copyright issues, at the IFRRO Congress in Tokyo in November 2017.

5.4. OAPI

OAPI (*Organisation Africaine de la Propriété Intellectuelle*) is the regional IP organisation for French-speaking countries in Africa. A new Director General, Denis L. Bohoussou, was appointed in August 2017, and in November of the same year IFRRO met with Jean-Baptiste

Wago, Deputy Director General of OAPI, and Solange Dao-Sanon, Copyright Expert at OAPI, at the headquarters of the organisation in Yaoundé. The meeting coincided with the tenth anniversary of the signing of a cooperation agreement between IFRRO and OAPI, and shared concerns and priorities were discussed with OAPI's top management during the meeting.

OAPI was represented by Solange Dao-Sanon at the meeting of the African Development Committee in Johannesburg in July 2017.

In December 2017, the Board of OAPI adopted a Resolution calling on OAPI and IFRRO to strengthen their cooperation. A joint activity is planned for 2019 around the issues of good governance and transparency.

5.5. IFLA

The IFRRO president attended the IFLA General Assembly and Congress and participated in strategic partner discussions in Wroclaw, Poland in August 2017. IFLA's president Gloria Perez – Salmeron also participated in the IFRRO IWC in Tokyo.

IFLA representatives attended the PLR Conference in Paris in September, and PLR International has begun a dialogue with IFLA on whether a common position statement on PLR can be developed.

5.6. Author Representative Organisations

In the past year IFRRO has worked with the international and regional authors association in membership of IFRRO to ensure authors are engaged in the work of RROs. Several meetings of the informal group, which includes IAF, EWC, EVA, IFJ and EFJ have taken place and activities planned. An awareness raising activity for journalists in Morocco is proposed as is developing a simple guide to the role of collective management organisations for authors, which can be used in different countries to better inform authors about the importance of supporting collective management.

We have also worked with national authors associations as part of IFRRO's development activities. IFRRO supported a workshop in Abidjan, Cote d'Ivoire, in September 2017 to encourage writers to join the Ivorian RRO. A similar event was supported in Georgia in May 2018, and in March 2018 the Secretariat met with the Tunisian journalists' union in Tunis to raise awareness about collective management and ensure that they would participate in the development of the RRO.

5.7. Publisher Representative Organisations

During the year under review IFRRO has had several meetings with the publisher representative organisations in membership of IFRRO to identify common projects and to share information. It is important for IFRRO and its members to understand publishers concerns and priorities, including business models and also important for publishers to better understand the role and importance of collective management in countering demands by users for access through exceptions.

IFRRO attended the STM Frankfurt Conference, met with national and international publishers' groups at the London Book Fair and the Frankfurt Bookfair and made a presentation about the Role and Importance of Collective Management at the International Publishers Congress in New Delhi India in February 2018. IFRRO also made presentations about collective management to Japanese and Korean publishers, at their invitation.

5.8. Kopinor

Although no longer involved in NORCODE, Kopinor continues to be active in its support of developing the text and image sector in Africa, in both publishing (such as the Malawi School Book Project, where Kopinor is working with local rightholders and Government to help develop a viable domestic market for school books and in collective management. Part of

their work involves working directly with RROs in Africa to build their collective management capacity. As part of this support program they hold an annual meeting of RROs to exchange experiences and build their skills. IFRRO participates in this program and works closely with Kopinor on capacity building.

5.9. Other International Federations

IFRRO has continued to engage with CISAC and the other rightsholder representative organisations through discussion and information exchange as part of our development activities. Issues of common interest, such as the implementation of private copying levies and the regulation of the collective management sector are the focus of this cooperation. Representatives of each of IFPI and CISAC attended the IFRRO Asia Pacific Committee meeting and made presentations on their regional priorities.

5.10 NORCODE

NORCODE, the Norwegian Copyright Development Association, is an initiative of several Norwegian CMOs which undertakes projects in Asia, Africa and South-America aimed at developing collective management infrastructure. IFRRO is partnering with NORCODE on its training programs for government and CMO staff, including RROs. During the year under review IFRRO has taken part in the two first training programs, for Africa in December 2017 and for Asia in June 2018. IFRRO members in Tanzania and Zambia participated in the African training and members in Indonesia and Vietnam joined the Asian one.

6. Regional Activities and Development

During the year, working with the Chairs of the different regional groups, IFRRO mapped our development priorities on the twin axes of *relative importance* and *likelihood of success*. We then agreed the priority countries for each region with each regional Chair. The objective is to use this systematic assessment to prioritise resource allocation.

6.1. Asia Pacific Committee (APC)

There are 14 RROs in membership of IFRRO in the region. There is also one creator and publisher association member in the region – KOSA (Korea) and one Music RRO, MCSC (China). The APC met twice in the period under review – in Tokyo on 9 November 2017 and in Hong Kong from 8- 10 May 2018. Sarah Tran (Copyright Agency) continued as Chair of the Committee in the period under review.

Holding the IWC 2017 in Tokyo gave IFRRO the opportunity to arrange a series of meetings between the Japanese government and several IFRRO members, to share information as the Japanese government develops a new licensing mechanism for the reproduction and transmission of copyright materials for educational purposes in the digital environment.

The IPA International Congress was held in India in February, and provided an opportunity for WIPO, IFRRO and IPA to meet senior representatives of the Indian government to express our dissatisfaction with the current situation regarding collective management for education in India following the Delhi University case. We continue to press the Indian government to introduce a mechanism to facilitate collective licensing in India. While licensing remains very challenging, IFRRO's Indian member IRRO is working to ensure that funds already collected are fairly distributed in the coming months.

Several governments in the region are reviewing their copyright framework, including Australia, Singapore and New Zealand. IFRRO has made submissions in each of Singapore and Australia and is working closely with CLNZ on the situation in New Zealand.

The period under review has seen substantial progress for Singaporean member, CLASS, with major licence negotiations successfully concluded for the schools, tertiary, and polytechnic education sectors. CLASS has also recently expanded, moving to new offices and recruiting additional staff. Following its structural reorganisation to respond to new legislation regulating CMOs, YRCI (now PRCI) continues its efforts in the licensing of tertiary institutions.

After a major review of its management structure, the new management team at VIETRRO is working to build a creative industries alliance in Vietnam to lobby for legislative change to create a fairer playing field for rightsholders. HKRRLS has worked successfully with PLR International to lobby for the introduction of PLR in Hong Kong, securing in principle support in 2017 from the recently elected Chief Executive of the Hong Kong Special Administrative Region. In the People's Republic of China, review of the copyright framework continues, with the National Copyright Administration of China (NCAC) issuing its 13th Five Year Plan on Copyright in 2017. While CWWCS is no longer associated with the State Administration of Radio, Film, and Television (SARFT), it remains under the auspices of NCAC and is the sole government approved CMO in the text sector.

6.2. African Development Group (ADC)

The African region counts 15 RROs as members of IFRRO and one Creator and Publisher Association member, PASA, the Publishers' Association of South Africa. In July 2017 the African Development Committee met in Johannesburg, South Africa. The meeting included a practical session on rights management during which the DALRO team demonstrated the Web-based IFRRO Standard Software, WISE. The Committee met again in November as part of the IFRRO World Congress. In May 2018 the Copyright Society of Botswana, COSBOTS, was admitted as a member of IFRRO.

The Zambian RRO, ZARRSO, continues to sign licensing agreements including with the Ministry of Higher Education of Zambia. COSOMA in Malawi is working to extend its licensing outreach by collecting newly implemented private copying levies and public lending right payments. In Nigeria, Repronig has taken steps towards the signing of a number of licensing agreements with universities and, with IFRRO's assistance in November 2017, held a successful conference involving IFRRO, WIPO, IAF and IPA to launch a MOU with the Nigerian Vice Chancellors Association.

BBDA in Burkina Faso is also negotiating licences with the educational sector, which will add another stream of revenues for authors and publishers in addition to the private copying levies that they collect – IFRRO contributed to an event organised to raise awareness of collective management amongst educational institutions and rightsholders.

In South Africa, DALRO has continued to advocate against the weakening of copyright in the context of the revision of the Copyright Act. IFRRO made two submissions to the law reform, and also committed funds to supporting a rightsholders perspective on an expert panel to be established as part of the review.

Private copying levies remain a priority for a number of African countries, as well as for stakeholders such as OAPI, ARIPO and WIPO. Steps have been made towards their implementation by RROs in Côte d'Ivoire (BURIDA) and Senegal (SODAV).

Developed RROs in Africa continue to support those in development, for instance with CopyGhana and COSOMA mentoring the newly formed CMO in the Gambia.

A new IFRRO-WIPO partnership was launched this year in Tunisia where the two organisations are working with the local CMO, OTDAV, towards the implementation of collective management of reprography in the country. The Secretariat and IFRRO's members CFC and SCAM-SACD have taken part in events and shared experience with their Tunisian colleagues on educational licensing and private copying levies together with WIPO and the Consultant that WIPO contracted for this project, Olav Stokkmo.

6.3. European Group (EG)

The European Group met twice during the year under review, in November 2017 in Tokyo, and in May 2018 in Brussels. As a result of Benoît Proot (Reprobel), resigning as Committee Chair in December 2017, Samantha Holman (ICLA) and Anders Kristian Rasch (COPYDAN Writing) the Vice Chairs of the Committee agreed to act as Co-Chairs, until European Group elections are held in October 2018.

The key focus of the work of the EG in the period under review has been on developing IFRRO's position on the proposed Copyright in the Digital Single Market ("DSM") Directive and providing a central point for members to discuss aspects of the Directive. Meetings and conference calls amongst interested EG members were held several times during the year and the information provided incorporated in IFRRO's positions.

In order to sensitise key EU decision-makers to concerns regarding the DSM Directive, IFRRO had several meetings – in which EG and Executive Committee members participated - with European Commission officials, from the services level through to the Commissioner and her advisers, as well as MEPs and representatives from EU Member States' permanent representations (see section 5.2 for further details). In parallel, there were also meetings with representatives from Member States' ministries and copyright offices

Another important focus of the EG has been implementation of the General Data Protection Regulation (GDPR), Regulation (EU) 2016/679, which applied from 25 May 2018. It includes new obligations for the processing of data and more rights for "data subjects", with non-compliance potentially resulting in heavy fines. The IFRRO Secretariat surveyed CMO members regarding their progress towards compliance with the GDPR, which revealed that the transfer of data to non-EU countries and the potential conflict with CRM Directive were key concerns. The EG provided a platform for exchanges of best practice on how to address these concerns – as well as how to approach compliance more generally - while the Secretariat provided updates on guidance on implementation of the GDPR by the Commission and opinions of the advisory body WP29. The question of how to deal with the transfer of data to non-EU countries was also dealt with in more depth within the Legal Issues Forum (see section 7.2).

Other topics raised at the EG meetings included the implementation of the « CRM Directive » 2014/26/EC (in December 2017, the Commission referred Bulgaria, Luxembourg, Romania and Spain to the CJEU for failure to notify transposition and called for financial penalties). There were also national updates provided by IFRRO members. The EG also heard from external speakers about "Optimising technologies to manage rights in the digital single market" (with presentations on ARDITO and the Copyright Hub) and Getty Images' antitrust complaint against Google.

6.4. European Development Committee (EDC)

The EDC met once in the year under review, in Tokyo at the IWC in November 2017. In May 2018, the IFRRO Board, on the recommendation of the Committee Chair, Samantha Holman, decided to dissolve the Committee. The decision was made on the basis that the Committee has largely achieved its original brief, of working with rightsholder groups and governments in the region, to firstly influence legislation to support collective management and then to also establish reprography collections in countries where collections were not taking place. In the years since the Committee was formed, there has been positive legislative change and more importantly the establishment of an RRO or a multipurpose CMO has expanded its activities to collect and distribute for reprography in 15 countries.

Of course, regional development in Europe remains a priority for IFRRO, and we are working closely with WIPO and other partners to build collective management infrastructure in the region. During the year, IFRRO participated in WIPO events in Albania, Bosnia and Herzegovina, Kazakhstan, Moldova, Montenegro, Russia and Ukraine, supported member organised events in Georgia and Latvia, contacted governments in Bulgaria, Greece, Malta, Russia, Serbia, Moldova and Romania. Following the signing of the CMO bill in Ukraine, IFRRO also participated in a workshop organised under the US Department of Commerce's Commercial Law Development Program.

6.5. Latin America and the Caribbean (LAC)

The Committee met twice during the period under review, during the IWC in Tokyo, in November 2017, and in Bogota, Colombia in April 2018. Ana Maria Cabanellas (CADRA)

chairs the LAC. There are 13 RRO members of IFRRO in the region. As ECCLA is a sub-regional RRO for six Eastern Caribbean States, the 13 RROs in Latin America and the Caribbean cover 17 countries.

In addition, Caribbean members also met in Barbados on 20 and 21 August 2017, coinciding with *Carifesta*, the biannual Caribbean Arts festival. As a part of *Carifesta*, IFRRO sponsored the Caribbean Digital Publishing Seminar, with participation of the IPA. During the year, significant progress has been made in establishing CARROSA. CARROSA is an initiative from Jamcopy to overcome the issues of scale encountered by our members in small Caribbean nations by putting into place a single back office and a regional licensing facility. The development of a Caribbean wide licensing programme for the University of the West Indies is a key component of this strategy, which IFRRO strongly supports.

The Board is pleased to note the continuing progress in the activities of CADRA and CDR. A main focus is on providing assistance to ACODERE (Costa Rica), and to SEA (Panama) to develop licensing activities.

In addition to the LAC meetings, Ana Maria Cabanellas represented IFRRO at a WIPO regional meeting for copyright offices in Panama and Magdalena Iraizoz (CADRA) represented IFRRO at a WIPO regional meeting in Guatemala. IFRRO also sponsored and took part in copyright seminars for authors and publishers in Argentina and Colombia.

7. Technical Working Groups and Fora

7.1. Equipment Levy Forum (ELF)

The Equipment Levy Forum is an informal forum open to all IFRRO members for the exchange of information amongst RROs administering Text and Image (TI) levies. It met twice during the period under review and is chaired by George Zannos from OSDEL.

Private copying and reprography levies are of growing interest worldwide. In November 2017 WIPO identified levies as a priority for development in Africa with the active support of ARIPO and OAPI, the two pan African IP organisations. Levies have been collected in Algeria, Botswana, Burkina Faso and Ghana for many years, and RROs in Côte d'Ivoire, Malawi, Nigeria, Senegal and Tunisia are preparing for their first levy collection. IFRRO is working with CISAC to improve the implementation of levies on the African continent with a major event planned for September 2018.

In Europe, there have been developments at national level. Legislation was introduced in Greece which extends private copying levies to PCs, tablets and mobile phones, and in Spain private copying levies have been re-introduced.

In the aftermath of the HP/Reprobel decision of the European Court of Justice litigation with manufacturers and importers has taken place in Belgium and Germany, while in Greece the visual artists and the photographers have taken legal action against OSDEL for payments made to publishers. Another decision of the European Court ruled that private copying levies are not subject to VAT, but it remains to be seen how this decision will affect the application of VAT on levies in each member state of the EU.

7.2. Legal Issues Forum (LIF)

LIF is a forum open to all IFRRO members for the exchange of information on legal issues. In the period under review Martin Kyst (Copydan Writing) served as the Chair of the LIF. The LIF met twice during the year, in conjunction with the IWC 2017 in Tokyo in November and the mid-term meetings in Brussels in May 2018.

The revision of the sample bilateral agreements has been a key focus for LIF over the period under review. Following a presentation of the existing tools to members, with an explanation of how to use them, a consultation was launched on the Sample Bilaterals Task Force recommendations, with the outcome of this consultation being presented by the secretariat to members in May 2018

The General Data Protection Regulation and in particular its impact on IFRRO's sample bilateral agreements has also been a focus. IFRRO provided a memo to its members in October 2017 in order to highlight the key issues for CMOs, and to provide some guidance as to the steps that CMOs could take in order to ensure compliance with the new rules. In response to the particular concerns about addressing the GDPR in bilateral agreements, at the May 2018 LIF meeting Benjamin Docquir, a partner at Osborne Clark in Brussels, presented his advice on "How to effectively address GDPR in bilateral agreements?".

In addition to assessing changes in legislation around the world, LIF participants also discussed recent developments relevant to RROs, such as the *York University* and *Laval University* cases in Canada, WIPO-related issues and the ongoing EU copyright reform.

7.3. Musical Forum (MF)

The MF chaired by Marc Hofkens (SEMU) met twice during the year under review, during the IWC in Tokyo in November 2017, and during the mid-term meetings in Brussels in May 2018. Among the key issues of interest to the group was the impact of the EU Directive on musical works – the Secretariat reported on how sheet music had been further recognised in the amendments proposed by the Council and European Parliament's JURI Committee. In addition, members heard about recent national developments, including the implications of the CJEU HP/Reprobel decision on sheet music in Belgium and how licensing of the amateur music sector is now covered by licences in Norway.

7.4. Newspaper and Periodicals Working Group (NPWG)

The NPWG, chaired by Sandra Chastanet (CFC), met twice during the year under review, during the IWC in Tokyo in November 2017, and during the mid-term meetings in Brussels in May 2018. The NPWG provides an opportunity for information exchange for IFRRO members on the analogue and digital licensing of material from newspapers and periodicals. Several national reports were presented at the working group meetings during this period of review, with MMO licensing a key point of discussion – encompassing both members' success stories as well as the challenges. Other topics discussed included the proposed neighbouring right for press publishers in the draft Copyright in the Digital Single Market Directive. Members also received an update on the framing/linking legal context and jurisprudence. With the issue of "fake news" growing in importance, members also received an update on EU and Member States initiatives and discussed the matter.

7.5. Public Lending Right Forum (IPF)

The IPF, chaired by Christian Roblin (SOFIA), is an informal forum open to all IFRRO members. It was convened twice during the period under review, in conjunction with the IWC 2017 in Tokyo in November 2017, and the mid-term meetings in Brussels in May 2018. The IPF is a key element of IFRRO's enhanced role in PLR, providing an opportunity for IFRRO members to engage with the work of the International PLR Steering Committee.

A database with key information relevant to the administration of PLR is available on the [Members Only](#) section of the IFRRO website. The IPF also monitors the implementation of the EU rental and lending rights directive. Meetings of the IPF offer a unique opportunity to hear about PLR developments in the world – for instance, during the year under review, representatives from CEDRO (Spain), COSOMA (Malawi), CopyRo (Romania) and OSDEL (Greece) shared first-hand information on the implementation of PLR in their respective countries.

7.6. Visual Working Group (VWG)

The VWG, chaired by Vincent van den Eijnde (Stichting Pictoright), met twice during the year under review. Its objective is to study and review issues involved in the reproduction of still images contained within books, journals and newspapers and to determine strategies and suggest solution for co-operation and closer involvement of the visual creators in the field of RRO licensing. Recent topics of discussion include hyperlinking and framing. The

proposed Copyright in the DSM Directive has raised various concerns, in particular the “framing loophole”, which IFRRO has also raised in its position paper and asked to be addressed by clarifying that the rights of communication to the public and making available of works applies to each display of works or other subject matter regardless of the technology applied and identity of public reached. Concerns have also been raised that the approach of the advocate general in the “Cordoba case” (relevant to hyperlinks and hot links in a school environment) would deny the fundamental right of visual authors to rightfully exploit their works. Distribution schemes in different countries have also been presented by VMWG members.

8. Finances

8.1. Operational Accounts

The year-end balance on the operation of IFRRO, i.e. excluding the Development Fund and the Enforcement Fund, is a surplus of €26,511, which the Board will allocate towards the Communication Reserve. The Operational reserve is at €405,755, equalling some six months of the budgeted yearly spending. A total of €227,500 of paid membership fees was allocated towards development work and transferred as voluntary contributions to the Development Fund.

8.2. Development Fund

No IFRRO member contributed directly to the Development Fund during the year. As in previous years, members also contributed financially through their own development funds and by not charging IFRRO when participating in development activities.

A total of €180,244 was paid out towards approved grants during the FY. As at 30 June 2018, the Development Fund held €1,004,859, of which €257,015 has already been allocated through Board decisions towards specific projects. This leaves a total of €747,844 available for new projects.

8.3. Enforcement Fund

There have been no contributions to the Enforcement Fund during the year under review. As at 30 June 2018, the fund balance is €78,499. In 2016, the Board made a decision to allocate €50,000 towards legal advice as to whether the introduction of education as a fair dealing purpose in Canada breached that country's international obligations. As at 30 June 2018, €6,787.88 of that allocation has been disbursed.

8.4. Tax Issues

The Belgian tax authorities' examination of IFRRO's tax liabilities on interests yielded on saving accounts, as reported in previous Board Annual Reports, has not been concluded, and there has been no contact with IFRRO on the issue during the year.

9. The Secretariat

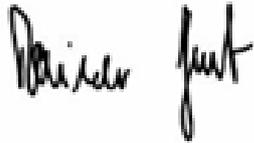
The Secretariat is based in Rue du Prince Royal 85-87, 1050 Brussels, where the IFRRO Secretariat is co-located with IFRRO members EVA, SCAM and SOFAM, and other international copyright and authors' rights organisations.

Following legal advice, IFRRO has taken the necessary steps to comply with the General Data Protection Regulation (GDPR), which took effect on 25 May 2018. IFRRO has amongst other things, developed a [Privacy Policy](#), which can be found on its website, as well as an internal data register setting out its data processing activities.

Caroline Morgan served as CEO and Secretary General in the year under review. During the period under review, *Nadine Dauer* went on extended parental leave, with a scheduled return in late 2019. *Catherine Starkie* continues to focus on EU affairs, in particular the proposed Copyright Directive and the impact of GDPR on RROs. During Nadine's leave Catherine has also taken on responsibility for managing the Legal Issues Forum and the Sample bilateral Taskforce, together with the Musical Forum.

Manuela Francesia as Office and Accounts Manager and PA to the CEO, manages the finances and office, including IT support. *Pierre-Olivier Lesburguères* as Manager for Policy and Regional Development is involved in regional development work and assists in EU and WIPO relationships. *Veraliah Bueno Álvarez* maintains the IFRRO website, attends to selected communication and information activities, and manages events, including the Congress and AGM. *James Boyd* continues to undertake projects on a consultancy basis.

Munkhdulam Naranbayasakh was the IFRRO accountant during the period under review, employed on a consultancy basis. A review of IFRRO's IT needs was conducted in late 2017, with the decision made to enter into a contract with KeyTech Services to replace the existing server with a cloud-based server solution.

A handwritten signature in black ink, appearing to read "Rainer Just". The signature is written in a cursive, somewhat stylized font.

Rainer Just
President