

In accordance with the Article 20 of the Law of the collective exercising of copyright and related rights



ASOCIJACIJA KOMPOZITORA
MUZIČKIH STVARALACA
АСОЦИЈАЦИЈА КОМПОЗИТОРА
МУЗИЧКИХ СТВАРАЛАЦА
ASOCIJACIJA SKLADATELJA
MUZIČKIH STVARALACA

THE ASSOCIATION OF COMPOSERS AND MUSICAL CREATORS
THE ANNUAL REPORT FOR 2013.

Author: Mirza Hajrić

AMUS-THE ANNUAL REPORT FOR 2013.

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THE BASIC INFORMATION

Full name: The association of composers and music creators “AMUS”

Abbreviation: “AMUS”

The approval for the registration of the association: the Ministry of Justice of Bosnia and Herzegovina, the number: RU-28/02 the Book1, 12.09.2002.

The main activity by the classification of activity: 74.110

A permission to perform activities: A number of Decision: IP-03-47-5-12-06059/12, VT of the Institute

For the Intellectual property of Bosnia and Herzegovina from 21.06.2002.

Status: the Association “AMUS”-the specialized legal entity-a collective organization

The authorities: under Article 18 of the Law on the collective exercising of copyright and related rights in Bosnia and Herzegovina

“A collective organization is authorized to act on behalf of all authors”

The authorized persons: Edin Dervišhalidović- the President of assembly of AMUS, Vladimir Podany-the President of Steering Committee of AMUS

ID number: 4200960120004

Trn account: Unicredit Bank joint stock company, the number of account: 3386902265891403

Seat: Bosnia and Herzegovina, 71000 Sarajevo, Obala Kulina Bana 22

A phone number: ++387 33 205 600

Fax: ++387 33 218 258

Email: amus@amus.ba

Website: www.amus.ba

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AN INTRODUCTORY WORD OF THE PRESIDENT OF ASSEMBLY

Dear colleagues,

The path to achieve a solid and sustainable collective organization was thorny and still is thorny. We should not forget that four years after the adoption of new laws related to intellectual property, AMUS is even today the only collective organization in Bosnia and Herzegovina.

To date there were a number of different applications for getting license (the performing, phonographic and audiovisual ...) but only AMUS has got a license. This shows that is not easy to fulfill the conditions necessary for the protection such a large numbers of authors, and certainly we will need more time to understand the system completely and also that we include all users of music copyrights throughout Bosnia and Herzegovina.

It is evident that exists some kind of inertness and unwillingness of the authorities to implement the Law in Bosnia and Herzegovina.

In numerous contacts with the responsible persons of various levels of government in Bosnia and Herzegovina that I had in the past, is very clear that we can rely on very few of them. (Here I would like to mention the good examples: Lidija Vrgnjević, a director of the Institute for Intellectual Property of Bosnia and Herzegovina, Midhat Arifović, a director of the Tax Administration and Borka Surto, the chief republic market inspector of the Republic of Serbian).

We must be aware that we will fight largely by ourselves for our rights. I noticed that in some extent, at the most of the representative of the authorities, exists the tacit belief that these are private things by us authors, and that approach makes us great harm. In this regard we should be trained and we should be focused and that in direct contacts with institutions responsible for the law enforcement, as well as through the media, by lobbying ,and with initiatives for amending regulations and in various other ways, we should try to exercise our rights.

As long as we don't do that, those who use our music illegally today, will do that with impunity in the future.

These people are "wind in our chest" and they slow down our work and, unfortunately, a small group of our members, which through the media and through the available institutions spreads untruths about our work and thereby destroys the reputation of AMUS in the public and makes us harm, helps them.

I think it is time that we remove these internal weaknesses on the next Assembly.

I appeal the authorities of AMUS to determine this.

I also suggest that in the period which is ahead of us, we need to make the analysis of the membership of the Assembly, because the current composition, in one part, does not satisfactory the existing criteria.

Next.

In preparation for this Assembly, I analyzed the Plan and program work for 2013 and I concluded that the huge number of conclusions and planned activities wasn't been implemented. While for some activities I can find a justification (let's say that last year were not met conditions for opening an office in Banja Luka and Mostar or that due formalities at the Ministry of Justice of Bosnia and Herzegovina has not established the Fund for social and cultural purposes), for some activities I cannot find a justification.

Before of all I mean on the initiative to raise the percentage of the broadcast music of authors from Bosnia and Herzegovina in Public service, as well as solving the issue of health and pension protection, even though the legal space for this second part is very limited.

But there are also the good news.

I am particularly pleased noticeable increase in membership. At the time of applying for a license, we had 220 members, at the time of keeping of the last Assembly, we had 330 members, and today AMUS has over 500 members. The strengthening of membership according to the adopted criteria is our strength. But since we are expanded by the membership across the whole country and this should be also reflected through the leadership, of what I was talking at the last Assembly.

And finally, it is done a lot, but there were errors, especially when the first payment was happened. The willingness, and then also an attempt that the first payment in the year where the funds are beginning to collect for the first time, happens so fast, was too ambitious.

Despite the advice of international experts who predicted the first payment at the end of 2015, we decided to do it a lot sooner, bearing in mind the long-standing unenviable material position of our membership.

But, despite of all defects of realized advance payment, (because till now, only a third of the funds has been paid off but the rest will be paid in the next payment for the second half of 2013), and with accepting that the mistakes were done, I want to emphasize that, according to the attached financial statement, the whole first year since the license belongs to AMUS, by the overall result, is better than the best, when, in our behalf, SQN doo had the license. I also want to say that the local authors will get more money from AMUS in the first year, than the previous organization in its best year ever earned.

I believe that we will accept these facts as a success.

Thank you

Dino Dervišhalidović

THE ANNUAL REPORT OF THE BOARD OF DIRECTORS OF ASSOCIATION AMUS FOR 2013

An introduction

The focus of the work of the Board of Directors of the Association AMUS, most of the year, was the drafting and amendment to the draft Statute of the Association.

The specifics of this complex task were reflected in the following facts: The Statute needs to be in compliance with three existing laws: with the Law on Associations and Foundations of Bosnia and Herzegovina, with the Law of copyright and related rights, with the Law on collective management of copyright and related rights, including the character of the Association. Further, a special task and challenge in addition of the Statute was the area of defining of clear roles, powers and responsibilities of the Secretary, the Professional Service and the Supervisory Board of the Association. Finally, the Ministry of Justice is due to a number of omissions and excessive number of amendments, rejected to verify the Statute, which was previously adopted by the Assembly of AMUS on the regular session 08.05.2013. The competent Ministry has ordered the creation of an entirely new Constitution, in July 2013, and the Steering Committee did that.

In addition to working on the development of the new Statute, the Managing Board has discussed and also the Managing Board has drafted and has adopted a whole range of regulations, decisions and other acts necessary for the efficient and effective operation of the Association and the Professional Service. The Steering Board, inter alia, brought an important decision to purchase of professional software for automated data processing, which is necessary for the distribution of royalties to authors. It should be noted that the work of the Steering Committee of the Association was taking place in an atmosphere of great external and internal obstruction of a small group of authors, and interpersonal conflicts within the Association, which has greatly hampered the work and reduced the affectivity of implementation of professional duties of the Board.

Despite these circumstances, the Managing Board held the continuity of work and activities, completed a draft Statute, as a necessary step for the elementary functioning of the Association, and created the assumptions and conditions for the transparent and professional work.

Between 01.01-31.12.2013.godine, the Steering Board has prepared and held 27 regular sessions, and has formed several working groups which have worked on the realization of certain tasks. At the end of this report there are statistics for the presence of sessions of individual members of the Board and the Presidency of the Assembly AMUSA.

The goals of the work of the Board of Directors in 2013:

1. The approval of the draft of the new Statute of the Association AMUS
2. Making of Rules of acceptance in regular membership of the Association
3. The adoption of relevant rules and procedures for the efficient operation of Professional Service
4. The supply and installation of software for the distribution of copyright royalties
5. The payment of royalties for the first half of 2013
6. Making of Rules of Procedure of the Board of Directors

The implementation of activities mentioned objectives of work of the Board of Directors

1. The approval of the draft of the new Statute of the Association AMUS

In the first four months of 2013, the Board of Directors was working on amendments to the existing Statute and inter alia these amendments should clearly define differences in the responsibilities and authorities of Secretary and the Professional Service, and also the drafting of members of the Statute on formation of the Supervisory Board and the Fund for Social and cultural purposes.

As stated in the introduction to this report, the specificity and complexity of drafting the new Statute stems from the series of facts, including the harmonization with the existing and relevant laws. The additional difficulties are related to internal obstruction of the work of the Managing Board. The most obvious attempt at disrupting the adoption of the Statute was the fact that the Steering Committee did not have the information that the previous amendments to the Statute have never been verified in the Ministry of Justice and that is one of the most important reasons why is the competent Ministry has sent the Statute on redrafting.

The Steering Board again approached the drafting of the new Statute, and after exhaustive and detailed inspection, verification, consultation and harmonization adopted this document, which will be offered to the Assembly for adoption.

In spite of all the difficulties, the Board of Directors has finished the realization of one of the most basic objectives of the Association.

2. Making of Rules of acceptance in regular membership of the Association

Due to the increased interest for the reception in the regular membership, after the Assembly of the Association which is held in May last year, the Steering Committee begins drafting the Regulations on admission in the regular membership of the Association. During the preparation of this Ordinance, the Board of Directors has discussed about the relevant regulations from the neighboring countries, with particular focus on the criteria for admission to the regular membership.

The rules on admission in the regular membership of the Association has been completed and adopted in July last year. Following the adoption of the new Statute of the Association on the forthcoming regular Session, this Ordinance will be expanded and included as a part of the new Regulations on membership in the Assembly.

3. The adoption of relevant rules and procedures for the efficient operation of Professional Service

Bearing in mind that the Expert Service was appointed 2012, it was necessary to consider and act on the establishment of appropriate rules and procedures for her efficient operation. Inter alia, the Steering Committee made and adopted the following resolutions and procedures in the course of 2013:

- The decision on public performances
- The decision to discount for hoteliers

- The decision on the work of the Expert Service
- The decision to purchase software Cosis
- The decision to abolish of the sub- account of AMUS

The decision to abolish of the sub- account was made because of the pressure of the group members. We were guided that the criticisms are the well-intentioned and that the repeal of the sub- account means that won't be any communication problems.

4. The supply and installation of software for the distribution of copyright royalties

After obtaining a license to operate in June 2012, the selection and purchase of software were one of the priority goals that will allow the calculation and distribution of royalties to authors according to playlists submitted by electronic media. Taking into account that Bosnia and Herzegovina has not yet gone through the process of digitalization of electronic media, this task was not simple.

After consultation, consideration and several visits to similar associations in the neighboring countries, the Board of Directors has chosen Cosis system of the company Right Alternatives from Switzerland, which was developed with the support of CISAC and which is managed by the Swiss collective organization SUISA. This software system used by more than 30 companies in the world which, as well as AMUS, according to CISAC fall into the category of small and / or of undeveloped societies.

5. The payment of royalties for the first half of 2013

One of the most important goals of the Board of Directors was the payment of royalties to the members of the Association, after purchasing and installing the mentioned software, thereby were created the necessary conditions for data processing and the budget for the distribution of royalties.

The Board of Directors has decided that the first half the generated revenues for the distribution of royalties in 2013, is realized in September of the same year, from more reasons. First of all, in June 2013. was one year from getting the license for the work of the Association, and then, very important funds were collected for the distribution and very bad economic situation in Bosnia and Herzegovina has affected negatively to the social status of members of the Association.

The first preliminary calculations showed that is in the payment included about 100 authors, what is at that time constituted one-quarter the membership of the Association.

Because of that, the Board of Directors decided to give the lump sum to all members in the amount of 300 KM, for the purpose of payment of royalties.

Upon completion of all calculations and payments it was shown that the pattern of playlists of electronic media, based on which the budget was carried out, was below 10%. This situation was caused by the lack of playlists of all electronic media, with the contract was signed which. The Board of Directors consequently decides that the payment from September is advance payment. The Professional Service has got a warrant that during the next disbursement a pattern cannot

be less than 50 broadcasters distributed under the criteria of the Ordinance on the exercise of copyrights of AMUS.

6. Making of Rules of Procedure of the Board of Directors

Among the regular acts, necessary for the work of the Association, the Board of Directors concluded that for the continuity of unhampered, of efficient and transparent work of the bodies of the Association, is necessary the adoption of the appropriate regulation. Accordingly, the Board of Directors began the work on drafting of these Regulations, aiming precise definition of all segments of the activities and work of the Board.

The statistics of presence of members of the Board of Directors and the members of Presidency at the meetings:

The President of the Board of Directors	Vladimir Podany	is present on 25/27 sessions
A member of the Board of Directors	Nedžad Imamović	is present on 24/27 sessions
A member of the Board of Directors	Ibrahim Mangafić	is present on 23/27 sessions
A member of the Board of Directors	Amir Šehić	is present on 26/27 sessions
A member of the Board of Directors	Nedim Babović	is present on 26/27 sessions
A member of the Board of Directors	Igor Vukojević	is present on 11/27 sessions
A member of the Board of Directors (till 04.13)	Hamza Ražnatović	is present on 8/9 sessions
A member of the Board of Directors (from 05.13.)	Davor Sučić	is present on 6/18 sessions
The President of the Assembly of the Association Dino Dervišhalidović is present on 6 sessions		
The President of the Assembly of the Association Ismet Arnautalić is present on 17 sessions		
The Vice President of the Assembly of the Association Hajrudin Varešanović was not present on sessions.		

A remark:

The members of the Presidency are not required to attend meetings of the Board of Directors by the applicable Statute of the Association.

The members of the Board of Directors who are not from Sarajevo actively participated in the work of the Board, but physically they were not present so much at the sessions in comparison to members who live in Sarajevo.

A REPORT OF THE GENERAL DIRECTOR

Behind us is the first full calendar year of AMUS since AMUS has a license that I think is successful. It should be said that by the realized income (1.976.231,62 KM) is at par with the most successful business year of SQN Ltd. We should not ignore the fact that also at the end of the year we have 758.874,42 KM of uncollected funds and that this amount in a huge percentage falls into the category of easily billable resources through the regular channels. Therefore, the plan is that the stipulated funds will be paid in the future to our account. I believe that this balance considerably exceeds the expectations of many, and the authors will record the final financial effects just in the next scheduled payment that follows for the second half of 2013.

As we explained the planned activities of the Professional Service in the Plan and the program of work for 2013. which is adopted by the Assembly of AMUS, the year has passed in the rapid strengthening cooperation with the members, with the users' associations and the other organizations with the ambition to deal by the collective exercising of rights in the country and abroad, in establishment and strengthen cooperation with the relevant institutions and others that may be of help or of benefit in exercising the rights. AMUS is in that period in the regional authoring community became the unavoidable address and the Professional Service has established the stable business relationships as a precondition for further progress and development, and it was the goal from getting a license and also, everything has become united.

The year 2013 was a turbulent, perhaps even more than it was expected. The strong attempts to obstruction of work by SQN Ltd have been continued, as we also expected, and they still will be continued. One of the largest attempts is start of a dispute against AMUS before the Competitive committee who have punished AMUS with 5500 KM because of 10% discount which are in initial contracts have had members of the Private Electronic Media(PEM),members of the Association of Electronic Media(AEM) and members of the Association of Local Radio stations of the Republic of Serbian(URS).The paradox is that SQN Ltd. had the same provision of discount in all previous agreements which he was signing with the electronic media eight years, and this penalty is completely unexpected. SQN Ltd. did not consider that is such thing wrong in time when it had the license, nor are they responded for that, indicating that their motive was not benevolent according to the authors who have previously advocated. AMUS has started an Administrative action against the Competition Committee before the Court of Bosnia and Herzegovina with the conviction that we have a strong legal basis that a judgment will be rendered in our favor. Namely, the Law on the collective exercising of copyright and related rights in Article 32 expressly states that "disputes about tariffs cannot be brought before the Competition Committee of Bosnia and Herzegovina."

The attitudes of small group of members of AMUS have caused the significant problems in the work of the Professional service which they amounted in their petitions and complaints which they sent to the Ministry of Justice of Bosnia and Herzegovina and to Institute for Intellectual Property of Bosnia and Herzegovina and to other institutions, and often even in media by expanding the negative image about AMUS and about the Expert Service.

We wish to emphasize that the unresolved issues among the members, are affecting on the work of the Professional Service, and we expect that the authorities of the Association will solve those

issues and concentrate our efforts and energy to the further improvement of the work and results and each member will have probably the benefit from that.

In the first half of 2013, by decision of the Board of Directors was purchased and installed Cosys software for automated data processing, and in June it was organized a training course for staff that will use the system. Then began the process of processing broadcast works obtained from a small number of broadcasters, who sent reports till July 1. Three months after, in September, the members of AMUS have got the first advance payment.

We were aware that those reports contain defects and the main reasons are:

- the broadcasters who are obliged by law to submit a record of performed music acts, mostly they did not respect that because they were not forced to do that in the past 20 years, and
- a significant percentage of authors not reported their repertoire so that there was no record of all the works of our authors for the recognition,
- a continuous obstruction by SQN Ltd. to provide a documentation about the authors and about works which was obliged according to the decision of the institute about award a license to AMUS, and
- the physical inability to develop working and operational capacity required for full operation.

So, the processing was carried out with very small sample of the performed songs in the electronic media.

We were aware from the beginning of the mentioned drawbacks and dangers associated with the payment. Also, we were familiar with the experiences of other collective organizations that use the same software system, and they were waiting for the first payment more than two years. Such was the advice of consultants who were doing the training to use this system.

We were faced with the advices of experts that the first payment to authors in all reporting standards should be only in mid-2015. Bearing in mind the difficult economic and social situation in which there is a large number of members of AMUS (partly also due to the absence of planned payments made by SQN Ltd.), we decided to give the advance payment for the first six months 2013. Of course, we have taken into account that also the final payment will eliminate the obvious and initial defects and by the quality will meet the membership and leadership of AMUS. The Presidency, the Board of Directors of AMUS and the Professional Service have made a conclusion that the priority objective of the Professional Service to provide a satisfactory percentage of representative samples of performed works for 2013 on the basis of which will each author get the payment in accordance with the provisions of the Ordinance on copyrights of AMUS.

Attached are the maps that showing the significant progress achieved by the end of 2013 in that segment, however, we are aware of the obligation, that we need maintaining the continuity of the process. Also, in spite of all our efforts, a significant part of the membership not reported all their works. Despite of our circular email messages, calls through the Authoring newspapers, through the individual emails, phone calls, etc., we did not have a full record on the basis of which the payment would be entirely correct.



The figure 1. Received report by the end of July 2013.



The figure 2. Received report by the end of December 2013.

Finally, the reaction of members for advance payment had several features. First of all, improve the material conditions of members because in the name of royalties were paid 605.742,80 KM, and also with a new wave, the registration of copyright musical works. So in the beginning of payment, AMUS had 7.200 registered works and today has over 11.000.

Another point to consider is also the progressive growth of members, where it is recorded over a hundred new members who since then had an access to AMUS.

The Professional Service recorded in this year of accelerated development, a noticeable improvement in services by completing of the composition according to the requirements and dynamics of the exercising of rights on the ground. So we had as a consequence of that development a total of 140 contracts with the electronic media, we had the first contracts with the hotels and the beginnings of respecting copyrights in restaurants throughout of Bosnia and Herzegovina. We also had the first contracts with the chains of gas stations, with shopping centers, boutiques, the business and shopping places, banks and other users of music in public areas.

The activities that Expert Service completed per categories of users and the results that are achieved in 2013 are briefly exposed in the following report.

The final result of our work for a member of AMUS will be visible in 2014, by data processing with full use of CoSIS software system with the payout of received funds in 2013.

Sarajevo, 28.01.2014.

Mirza Hajrić

The General Director of the Professional Service

ELECTRONIC MEDIA

Planned income	1.119.743,29 KM
Realized / invoiced	704.90,28 KM
Debits	416.139,38 KM
Billed	288.762,16 KM
The remark: Income is significantly lower than planned because the collection has started mainly in mid-year, and the public broadcasters did not sign the contracts by the end of the year and they have not even begun paying. Also, an open question whether AMUS will claim from broadcasters for the unrealised income from getting the license till signing the contract, i.e. of the beginning of the payment.	

In 2013 we entered with only 93 written contracts with the electronic media, and we ended 2013 with 140 contracts. 187 media have the licenses from the **Communications Regulatory Agency** (CRA), so that AMUS at the end of the first calendar year in which is the licensee has the regulated relation with the concluded agreements with more than 75% broadcasters. We consider this as a success.

We must not forget that the same or a higher percentage of broadcasters in Bosnia and Herzegovina from 1992 ignored every attempt of communication also with the representatives of musical authors and have not been punished for violation of this rule.

This result is the fruit of intensive efforts of the Professional Service from mid-2012 which include the initial information, persuasion, negotiation, and the repeated calls for the conclusion of individual contracts to all registered electronic media. It takes often to call multiple times in order to succeed to communicate with the responsible persons to obtain information to be supplied under the contract, and often also to visit that medium and also need to perform the direct consultations. In the event of failure to obtain the necessary information for the performance of the contract, at the end of the year we decided to take certain actions such as warnings for the prosecution, while the worst offenders were faced also with the first lawsuits. I think that our members do not need the special explanation how frustrating is to call in infinity and to urge to fulfill a contractual obligation of payment or to submit a list of performed works. But this is a situation where we are today and whenever we tried to stop doing that, considering that those processes will go into automatic respect dynamics of realization of the contract, at the end we got the slowing of process and delay of the payment and delivery of files with performed works.

It is absolutely certain that will last longer a process in which all broadcasters will fully comply and regularly execute and other legal and contractual obligations with AMUS and deem it necessary to introduce membership with that.

The legal obligations of broadcasters according the Collective organization are:

- Conclusion of agreements on non-exclusive ceding rights of use the musical works by broadcasting,
- Payment of fee which is specified by the contract,
- Sending reports on performed works (as a basis for payment of royalties),
- Publication of educational radio and TV spots of AMUS in their programs.

The unresolved relationship with the public broadcasters

In the last 18 months the numerous contacts are recorded with the representatives of the public broadcasters. In contacts with them, we have devoted due attention in every way because they are the most important customers, especially given the financial criteria. Unfortunately, we do not have still the signed contracts and we think that the main reasons for this unsettled state are in the leaderships of BHRT and RTVFBiH where the members of the Boards of Directors haven't yet been completed because the members mandate expired. To some members the mandate has been expired even more years ago.

The situation is similar with the managers in those companies so that you can hardly expect that someone will sign the contract with AMUS who will oblige the radio-television they represent on tenth and hundreds of thousand which they did not pay in the earlier period. Especially if you do not expect that you will continue to be a responsible person in the house next week or next month. The managers explain this attitude with series of objections to the text of the Collective agreement. Practically, they deny it and have the opinion that they should be the separate group of media on which the tariff will apply, ignoring the existing Collective agreement. In this way is trying to buy the time, but it is impossible to avoid the obligations towards the copyrights, and the public broadcasting system is in a situation of debt.

It is important to note that the public broadcasters ignored the legally based public invitation to participate in negotiations on the Collective agreement which was published in the Official Gazette of Bosnia and Herzegovina, and that the law says that a valid tariff is binding on all broadcasters "regardless of whether they participated in the negotiations or not. "Since all the legal requirements have acquired, the court proceedings will bring a resolution about this issue. We still continue to express an interest that we resolve this issue even on a temporary basis, but this approach stays without an answer other side from the reasons mentioned above.

In any case, we consider it important to inform the membership about the state of communication with the public broadcasters, because the incorrect information were reported in the media in several occasions. We held several meetings with all three public broadcasters together or individually, inclusive with early December, and also we exchanged dozen letters in which we presented all the relevant facts and requests and we gave them the answers on every their request.

In this group there are also other, regional public broadcasters who resist to contractual obligation and they are an important link in the financial and in terms of reporting on the performance of music in their programs. This group includes, for example, TVSA and RTVTK and others, but with the help of our communication with their founders (usually with the cantonal or municipal assemblies) can be noticed that their views are changing in the direction of signing the contract.

The analysis of tariffs of public broadcasters in Europe

On the attitude of RTV, FBiH, BHRT, RTRS and other broadcasters in this group, where they oppose by the tariff on the basis of payment of fee from the subscription, we make an analysis of the data or review of tariffs for all European electronic media made by the European Broadcasting Union EBU. From the analysis of the Professional Service is evident that all public broadcasters

in Europe pay the royalty for the copyrights and also from the income from the subscription and or budget allocations, and also from marketing. We substantiated this, with amounts of paid fees, as well as the percentages from total revenue.

Also, please note that any judicial or extrajudicial settlement with the public broadcasters in the past period has resulted by paying of fees and also from the subscription and marketing.

The Initiative with the Commission for Information of the Parliament of the Federation of Bosnia and Herzegovina

14.10.2013 we sent a letter to the Commission for Informing of the Parliament the Federation of Bosnia and Herzegovina in order that we inform them of the contempt of music copyrights in the RTVFBiH. We were looking to prevent any further unauthorized use of music in programs RTVFBiH and thus to stop the demolition of the reputation of the FBiH Parliament as the founder of RTV FBiH. The further copyright infringement and avoiding of regulating the liabilities, this emitter sinks deeper into significant debt that is growing every month. We were invited to the session and we have presented the facts and arguments, and we also have adopted the conclusion that, due to lack of time at that meeting, we schedule a new meeting with this agenda item and also that we have panel discussion about the material which the Professional Service has specially prepared for that occasion.

The complaints against public broadcasters to Communications Regulatory Agency (CRA)

We have sent complaints to the Communications Regulatory Agency for the illicit use of copyrighted material, and which have been broadcasted in the program of RTV FBiH and BHRT. By dealing ex officio, Communications Regulatory Agency has found that they have violated regulations of authoring music rights and therefore the mentioned stations have got a written warning. Immediately after the adoption of this Decision, we made new charges and we expect that the Communications Regulatory Agency takes appropriate measures and imposes the financial penalties, after it determines a violation again.

Broadcasting of radio and TV videos

In collaboration with the director Pjer Žalica, we created two videos and thereby we informed our publicity and the users of music in public places with the obligations of regulating of authoring music rights. AMUS has created those two videos for free. The videos are broadcasted for free 15 minutes in a radio program for one month and 10 minutes in the program of TV stations which have signed a contract with AMUS. One video has primarily an informative topic of invitations for caterers, and the other one which is made half a year later, there is more warning tone with the information that the police and the market inspectorate are responsible for the implementation.

In this way we contributed to the further education of users on the entire territory of Bosnia and Herzegovina and it has an effect in understanding the obligations of users, and also affects the reduction of piracy in the various categories of users.

For the purpose of misinformation which is a group of irresponsible members of our organization spread among the members about the alleged enormous prices of broadcasting of this campaign, we note that a complete broadcasting of radio and TV spots did not cost anything AMUS.

According to the provisions of the Collective Agreement which was negotiated by AMUS the Professional service, and whose signing was approved by the Board of Directors, a disclosure of videos is free and compulsory i.e. the publishing of videos is a part of the commitments that electronic media have by a signature of contracts.

As we have already had over 100 contracts in the first half of the year in this category users and thus proving that we have established a stable relation with the electronic media and their associations, thus we have created the preconditions that also the Communications Regulatory Agency takes steps within its jurisdiction and contributes to the consolidation of conditions in respect of copyright and related rights in the domain of electronic media.

The activities according to the Communications Regulatory Agency

Our interest is that the Communications Regulatory Agency operates in accordance with its authorities so that the media who have not signed the treaty were forced on it. On that way, the state agencies will be involved in the process of reducing piracy in this category of users for which she is competent.

AMUS Professional Service has reported 27 emitters of holders of License for terrestrial broadcasting to the Communications Regulatory Agency because of breach of conditions of License for broadcasting and the regulations the Communications Regulatory Agency about respecting the obligations of copyrights. These reports have resulted in concluding agreements with 11 broadcasters on the basis of the Law on Communications. AMUS Expert Service, by deciding ex officio in proceedings of breach of license conditions and rules of the Agency has found the breach of copyrights and has declared the warnings for the following radio stations:

- THE INDEPENDENT RADIO STUDIO 99 (Al Jazeera radio)
- RADIO OSCAR C.
- RADIO TUZLA CANTON
- RADIO VOGOŠĆA
- RADIO VISOKO
- RADIO OF THE FEDERATION OF BOSNIA AND HERZEGOVINA

In the procedure is found that the mentioned stations have violated regulations on the use of material which is protected by copyrights or other rights. The radio of the Federation of Bosnia and Herzegovina has violated the regulations on obligation of respecting the copyrights/ the Chapter 2- the general conditions of the license of System and the licenses for the public broadcasting services. The mentioned stations have got a written warning is due to a proven and committed violation.

The repeated applications

Considering that the penalized stations continued to broadcast music without permission of AMUS, we did again an application against the same stations because of the violating of conditions of License for the broadcasting of radio program due to lack of legal agreement which governs the mentioned rights. We expect a financial penalty for these applications because according to the rules of the Communications Regulatory Agency, a radio or TV station will be

punished by fine 3.000 KM - 50.000 KM if broadcasts the certain program content without the right to broadcast i.e. without the concluded contract with AMUS.

The request of AMUS, of the Private Electronic Media (PEM), of the Association of Electronic Media (AEM) and the Association of the Local radio stations of the Republic of Serbian (URS) that the Communications Regulatory Agency (CRA) asks contracts from all broadcasters

Complementing the activities in 2013 in this segment, we concluded that it was time of sending of letter to the Communications Regulatory Agency that referring to the powers from the Regulation and requires that from all broadcasters who have the License for broadcasting, through the circular letter, asks for a copy of the contract with AMUS. The professional service has initialized that activity and we became at the end of December the signatories of Collective Agreement regarding the use of musical works by broadcasting. (AMUS has signed a Collective Agreement with representative associations of the electronic media: with the Private Electronic Media (PEM), with the Association of Electronic Media (AEM), and also with the Association of Local Radio stations of the Republic of Serbian (URS).

The letter states that the Communications Regulatory Agency has determined arguably in 2013 that exist the broadcasters who have not regulated copyrights. So we ask that in accordance with the Regulations and the powers of the Communications Regulatory Agency through the circular letter requires from all broadcasters that they provide on insight the contracts by which they have regulated the authoring music rights. After that, we expect that the measures of punishing will be taken against violators. These measures of punishment can be in the form of fines and up to revocation of the license to broadcast.

Filing lawsuits against the broadcasters

We have two groups offenders among electronic media against which they were started court proceedings:

1. The broadcasters with a contract who do not fulfill the obligations (they pay fee irregularly or no way, they do not submit a list of broadcasted works and or they do not broadcast the educational videos of AMUS)
2. The broadcasters without a contract which also despite all mentioned activities of the Professional Service refuse to carry out duties in accordance with the Collective agreement regarding the use of musical works by broadcasting.

The court proceeding has been initiated against the following broadcasters or legal persons:

- RADIO BM ZENICA
- RADIO KUPRES
- RADIO ŠIROKI BRIJEG
- RTV HERCEG BOSNA
- RADIO ČAPLJINA
- RADIO LJUBUŠKI
- TV OSM
- STUDIO 078
- TV SARAJEVO CANTON

- RTM MOSTAR
- ARTHUR LTD
- FRONT STAGE
- MTV IGMAN
- VIK VLASENICA
- TV-X
- J.P.RTV EAST SARAJEVO

Bosnia and Herzegovina has almost 50 broadcasters who refuse to conclude a contract with AMUS, and are in the process of preparing lawsuits against all and the proceeding before the court has been launched against the following radios:

- KALMAN
- VIK
- Al Jazeera Balkans LTD- Independent Radio Studio 99
- OBN TELEVISION
- RTV OSCAR C.
- FAMILY RADIO TELEVISION
- HIT RADIO BRČKO

For all mentioned subjects that were submitted to the lawyer handling, the Professional Service is coordinating and monitoring judicial processes in preparing and doing all the necessary actions.

That is: making of all documentation extraordinarily for each subject (the calls for the conclusion of the contracts, the warnings before the Court proceedings, correspondences with the broadcasters, the demand for information on legal entities with whom we did not have concluded an agreement, the confirmation of the Agency for Financial, It and Intermediary Service (AFIP / APIF) about the income of that media in 2012, the calculation of the claim, delivery confirmation of the International Confederation of Societies of Authors and Composers (CISAC) about membership, the copies of tariffs ..)

Internet media

The professional service has started to work on copyright protection in a virtual environment since Autumn, including the licensing of portals which make music accessible to the public whether it be on streaming or download system. It is also the hardest part of the work of one collective organization, especially of the organization that works in such an environment. First of all, get started on that, has been preventive, because we do not want allow as the owners of licensee one long period of time prevails the practice of non-compliance of law in this category of users. We want to draw attention to the obligations in the very beginning.

The situation is complicated mainly because of the availability or unavailability of legal persons who are behind these portals, but also because of legal frameworks covering internet. Further, under the law, the Internet portal was licensed in the country where the signal comes from, or in the country where the IP address was registered, and then we come to the obstacles because it is only enough register portal under the domain of some foreign country and there stops every

jurisdiction of AMUS as the collective organization, and also the possibilities of charge, although they are performing the broadcasting in Bosnia and Herzegovina.

The broadcasters registered in the Communications Regulatory Agency with Internet portals

Negotiations are underway with some media which, except they broadcast program through the conventional channels (via television, radio and cable) they also have Internet portals through which broadcast their or some other signal. Since that these legal entities registered in our country, it is logical that they become templates for all future contracts with the companies that broadcast over the Internet, and whose native address is in Bosnia and Herzegovina. Then, in collaboration with sister societies from the entire world, there was planned the licensing of all available Internet portals that use music as a basic content or as an offer. Of course, the focus will be on the portals that enable streaming or download the works of our authors.

The cable broadcasters

There is a category of the electronic media which have the permission by the Communication Regulatory Agency whose owners are the cable operators. Some of the operators using that channel as an information channel, and some operators also broadcast their programs through that channel. As soon as we have signed a contract with the majority cable operators and have ensured income from the core business of distribution of signals of dozens of domestic and foreign TV programs in Bosnia and Herzegovina, we have created conditions that more attention needs to be paid to those who produce and who broadcasting programs via their TV broadcasters.

To the cable broadcasters who broadcasting their TV channel, and who have not concluded an agreement on the non-exclusive ceding the rights of use musical works from the repertoire of AMUS, was sent the repeated invitation for the conclusion of the same. So far we have three concluded contracts in this category of users. The reason for this low percentage of concluded contracts is our focus on the conclusion of the contract with the cable operators as well as undefined status of these broadcasters because most of these channels broadcast the announcement of the program and do not have a program.

Now when the majority cable operators have signed the contract with AMUS and when we have ensured income from the core business of distribution of signals of dozens of domestic and foreign TV programs in Bosnia and Herzegovina, we have created conditions that more attention needs to be paid to those who produce and who broadcast programs via their TV broadcasters.

In September they were invited to conclude a broadcasting contract and also the information has been forwarded to the Association of cable operators and distributors of network services where we will access the realization of our claims in proceedings before the Court if their members do not conclude a contract with AMUS. We have got uniformed answers that those broadcasters do not have their program, so we wanted to check that. In November we have sent the first warning before Court procedure against those for which we have found the violating the conditions of the Licence.

The decision of the Competitive Council and the adverse consequences for AMUS

By decision of the Competitive Council of Bosnia and Herzegovina (number of decision: 06-26-3-004-41-II / 13) AMUS was punished fined by 5.500 KM due to 10% discount which are in initial contracts have had members of the Private Electronic Media (PEM), members of the Association of Electronic Media (AEM) and members of the Association of Local Radio stations of the Republic of Serbian (URS). What is disappointing is the fact that the same provision of contract about that discount existed in all previous agreements. SQN Ltd. has been signing such contracts with electronic media for eight years. The paradox is that the SQN Ltd has initiated proceedings before the Competitive Council, despite the fact that he was negotiating and he was also using the same discount in their contracts, for years. That discount the representatives of electronic media did not want to except not at any cost in the negotiations with AMUS.

The abolition of minimum fees

With abolition of minimum fees the expected revenue in this category of users, which counts about 100 electronic media, will fall by up to about 75%, and instead of 220.000 KM -250.000 KM the expected revenue will fall below 50.000 KM.

One need not be large financial expert and conclude that this Decision towards AMUS makes a great long-term financial damage, particularly in view of our commitment that we keep processing all data about performed works that emit electronic media. According to legal provisions, for more than 50% of total number of broadcasters, AMUS will spend more money for processing all data about performed works than it will get from them.

There are broadcasters that according to the Decision of the Competitive Council on an annual basis have to pay 216,00 KM, and also for processing all data they should send to us 150.000 works. The price of song on this and such medium is: 0,001 KM, and let alone the price of one second of performed work. With this it should be remembered, according to the law decision, the collective organization is responsible for purchasing the software system at its own expense.

Instituting Administrative proceeding against the Competitive Council of Bosnia and Herzegovina to the Court of Bosnia and Herzegovina

Thus, above mentioned Decision No: 06-26-3-004-41-II / 13, the "minimum fee" was abolished which previously set out by Tariff. In connection with this issue we have instituted Administrative proceedings before the Court of Bosnia and Herzegovina because we are convinced that there is a strong legal basis for judgment in our favor.

Namely, the Law on the collective exercising of copyright and related rights in Article 32 specifically states that "disputes about tariffs cannot be brought before the Competitive Council of Bosnia and Herzegovina".

By the end of the procedure we are forced to act according to the decision of the Competitive Council of Bosnia and Herzegovina, and accordingly we have done the following:

1. Annex II of the Collective Agreement was concluded 02.09.2013 between all three (3) representatives of representative associations of the Private electronic media (PEM), of the

Association of electronic media (AEM), of the Association of Local radio stations of the Republic Serbian (URS) and also of the Association of Composers of music creators (AMUS), and the same was published in the "Official Gazette of Bosnia and Herzegovina" No. 70/13 of 09/10/2013.

2. By publishing of Annex in the Official Gazette of Bosnia and Herzegovina the conditions have been created for the beginning of activities of harmonization of all concluded individual contracts about non-exclusive ceding rights of use musical works from the repertoire of AMUS with electronic media.

To this end, we have submitted Annex to sign to all broadcasters with whom we have concluded individual agreements so that they can be adjusted with Annex II of the Collective Agreement. The specific contracts to sign have submitted again to broadcasters who do not have the concluded contract with AMUS, but with above mentioned amendments.

3. To all broadcasters who have paid a minimal fee we have calculated by audit authoring benefit on the basis of financial documents for 2012 in percentage on the base as follows:

Radio	3, 2%
Broadcasting	2, 4%
TV	1, 6%

4. We have submitted all requested documentation and evidence of procedure according to their Decision to the Competitive Council.

The lawsuit against SQN

This remains an open question which was discussed at the Board of Directors. Namely, it is possible to institute proceedings against SQN Ltd. before the Competitive Council of Bosnia and Herzegovina by any "natural or legal person who has an interest". By this process, SQN Ltd. would get the same penalty on already established legal basis as well as SQN, therewith that SQN Ltd. was using the same contract eight years, so that the penalty would be in hundreds thousand marks. The Law of Competition of Bosnia and Herzegovina provides the possibility of penalty for the period of last five years.

So each member of AMUS ,who feels that he was harmed, has the right to report SQN to the Competitive Council as the physical concerned person with a note that any penalty which SQN has to pay going into the budget of Bosnia and Herzegovina, and not to AMUS or to a member who initiated the request.

THE CABLE BROADCASTERS

Planned income	706.971,00 KM
Realized / Invoiced	1.728.337,15 KM
Debts	196.684,84 KM
Billed	1.531.652,31 KM
The remark: In this category of users it has been realized a higher income than planned because we managed to charge the entire amount at the date of obtaining a licence without judicial costs, without attorney costs and other expenses.	

In present using of a license the cable broadcasters have been a strong and stable source of income for AMUS. In this segment, we were able to arrange the payment of all debts of the date of obtaining the license, which is possible in this segment without judicial process. In the next period are coming the complicated negotiations over the new tariff. The priority is maximal minimize the possibility of manipulation with the number of users that operators report to AMUS and by that reported number they pay compensation.

A restraint in communication of cable operators with AMUS has existed in the initial period of getting a license, because of the developed relationships that the Association of the Cable Operators (AKOP) have had with SQN Ltd. Although we tried to make a contact before obtaining a license, the first meeting was organized only at the end of 2012. Then we provided an Interpretation of Institute for Intellectual Property of Bosnia and Herzegovina for tariff which has been used before, that continues to be applied until a new tariff.

This process was completed by signing of the Collective Agreement at the end of April. The reason of slow start is change of leadership in the Association of Cable Operators as well as the registration of those changes that lasted for a longer period of time.

Also the new situation where AMUS as an association has a license has caused a transition of form contract with the Association of Cable Operators Net, as of the legal representative directly towards the Association of Cable Operators due to reducing costs of business for cable operators.

In the past, in the regular activities of the Professional Service we have included an exercising of contacts with users i.e. with the cable operators because of presentation and of establishment the positive business cooperation throughout Bosnia and Herzegovina. During those contacts, we analyzed the potential solutions of the only theme that has a negative impact on payments to the authors: representation of a small number of users from the real realized.

So the Collective agreement has got a definite member which defines the powers in determining the number of users, confirming the operational legal provision. Also, as the final measure is the authority of competent inspections for determining the real number of users who have contracts with cable operators, as well as the exact number of channels to whom users have access via the cable transmission.

In addition, during visiting one of the largest cable operators, (BH Telecom), we examined the possibility of switching of the modern system of charge that is practiced in the region and in developed countries. We have also discussed about the proposals for the establishment of new tariff for this category of beneficiaries. Since this is a completely new approach, he has to be agreed during the negotiations with the Association of Cable Operators or with other future participants in the negotiations linked for the new tariff, as well as providing explanations in their dealings with cable operators.

As a result of those activities, in addition to the contract with the Association of cable operators, we signed also agreements with the following cable operators who are not members of the Association of cable operators or have withdrawn from the membership and directly with us they have signed the contracts: Telemach Ltd, Total TV Ltd, BH Telecom Joint Stock Company (My TV), Art-Net Ltd Kiseljak (later a part-Telemach Ltd), BHB Cable TV Ltd Lukavac, Bridistel Ltd. Brcko., US Telecom Ltd. Ključ, Media Sky Ltd Živinice, KTV Ltd. Zavidovići.

Only two cable operators KTV E-G-E Ltd. Doboj-Jug and Dalekovod Ltd. Bihac did not access the signing of the contract and the competent institutions were informed on their use of copyrights, and in the process of preparation are also the lawsuits.

DEPARTMENT FOR THE PUBLIC PERFORMANCE

During 2013 a department of public performance was working on establishing a system of collection of use of copyright musical works in restaurants, and also was working on the organization of concerts, performances, parties and other forms of collection of use of music in public space.

At the end of the inefficient processes of achieving agreement in the various categories of users, at the end of the year have been taken the lawsuits against a number of hotels, restaurants and cafés that refused to fulfill legal obligations under copyright law. These lawsuits fall under the responsibilities of this department. This section is specific because it has to cover all users of music across the country.

We were focused on introducing the activities with legal obligations with the representatives of the Ministry of Internal Affairs and market inspections throughout Bosnia and Herzegovina, which are responsible according to the Law on the collective exercising of copyright and related rights in Bosnia and Herzegovina. Thus, we have established a network of business contacts and have presented AMUS as a new Collective organization, and also we have informed them about our efforts that the spirit and letter of the Law are going towards achieving in favor of our members.

Unfortunately, after the series of visits to the representatives of the Police (the Canton of Sarajevo, the Bosnian-Podrinje Canton, the Zenica- Doboj Canton, the Tuzla Canton) and to the representatives of the competent Inspections of mentioned Cantons, including also visits to the competent inspection of the Ministry of Internal Affairs of the Republic of Serbian, it became clear that as long as the relevant institutions do not begin to implement the Law to the full extent, the success will be sporadic. At the moment, the only way that AMUS reacts according to the legal subjects that do not want to perform their obligations, is to achieve this through the court. And it is extremely slow and expensive way which none association in the world would not survive financially as a primary mean of collection.

Also, the significant efforts with visible initial results have been made in establishing tariffs for categories of users such as retail chains, the shopping malls, the commercial spaces, sales spaces and etc. This segment of the work is still in its beginnings for the Professional service and for Bosnia and Herzegovina considering that to this day such activity has never been initiated.

So we signed relatively good stable contracts with BBI, with Intershop and with ALTA centers in Sarajevo, with WOG center in Vogosca and with Cantonal Public Company Center of Skenderija, and we have accomplished a tariff with company Inditex, which represents the global trends in Bosnia and Herzegovina such as Zara, Stradivarius, Bershka, Pull & Bear and also with the sales facilities Terranova and Magaza. Particularly are important agreements that we have been achieved with Gazprom (former OMV gas stations) and with NIS Petrol, and we are also in negotiating with other chains of petrol stations, such as: HIFA group, Energoinvest, Petrol, Petrol Mandic, INA and others.

STATE OF THE COOPERATION WITH INSTITUTIONS RESPONSIBLE FOR ENFORCEMENT

From the vital importance for the implementation of the Act and preventing violations the same is the efficient operation and involvement of the competent authorities. In that effect nearly 2.000 letters, notices and demands have been sent to the following authorities and also more than tenths of meetings have been held with them.

Those are:

- Market inspections
- The competent authorities of Internal Affairs
- Prosecutions
- Courts
- Tax Administrations

Working with market inspections

Department of public performance has participated together with the Legal Department in a series of educational seminars, meetings and conferences during 2013.

Training of inspectors has started:

- From 10-11.10.2013 in organization by the EU IPR ENFORCEMENT(The Directive on the enforcement of intellectual property rights) called "SUPPORT TO INSTITUTIONS IN THE IMPLEMENTATION OF INTELLECTUAL PROPERTY RIGHTS IN BOSNIA AND HERZEGOVINA" in the hotel Blanca Vlasic
- From 17-18.10.2013 called "PROTECTION OF INTELLECTUAL PROPERTY-POSITIVE IMPACT ON THE ECONOMY AND COMPETITIVENESS OF BOSNIA AND HERZEGOVINA".

After conducting the training, we sent letters to all inspections with a list of restaurants with the request for execution of supervision and we expect results in the coming months. In addition to the requirements for inspection control attached were delivered our leaflet and educational material with the request to inspectors that during of their control they deliver the same requests to the responsible persons in the facilities given that contain information about their obligations as the users of music in public areas. It has already been recorded a partial success of activities of inspectors in the field with which we also daily communicate and also the number of concluded lump contracts has been increased.

However, because of the passive attitude of the competent inspection services, the greatest success of this segment so far is to raise awareness of respect for copyrights among inspectors who need to implement the Act.

What actually works: according to Law, the market inspection is responsible for the implementation of the collective management of copyright and related rights, and according to our inspection, some other inspection is competent for the implementation of the Law i.e. the solution is in the triangle of municipal, cantonal or entity market inspections.

Cooperation and contacts with the authorities of internal affairs

We daily contact with police stations, which is very frustrating experience. In the past five months, about 1.300 requests have been sent for a ban on communicating of copyright musical works across the entire Bosnia and Herzegovina. Also we contact by phone and we give various explanations which are related to copyright and also the application of the same. We inform regularly about the experiences of other police stations, and about their experiences in order to establish better cooperation and awareness that others work also, and not only the police stations from which we seek an intervention. We also respond to letters regarding the problems that police has in the work on the field, and we also give written and oral explanations.

We have also held several meetings with several police stations and we have suggested them to perform a training of police officers in the future. By the realization of that initiative, we regularly deliver them the educational materials and we provide clarifications regarding to the Law on the collective exercising of copyright and related rights.

For the purpose of clarification on the jurisdiction of authorities of the internal affairs, we provided also the interpretation of Article 18 the Law of the collective exercising of copyright and related rights from the Institute for Intellectual Property of Bosnia and Herzegovina. But even that was not enough for the implementation of the Law as the police forces perform across the EU or in neighboring Croatia.

The problem in the implementation of the provisions of Article 27, the page 2 of the Law on the collective exercising of copyright and related rights, which reads: "The competent authority of Internal Affairs will ban a performance at the request of the author and the collective organization, or the use of protected work, if the organizer previously has not acquired the rights".

This provision of the Act leaves the possibility that the authorities deny jurisdiction. They argue that the provision is not entirely clear, because the concept "an authority of the internal affairs" can have several meanings. There are a lot of those in Bosnia and Herzegovina, and the Law of the collective exercising of copyright and related rights is the law on the level of Bosnia and Herzegovina.

So far we have many times asked from the police stations to ban the event with partial success. The thing that makes the situation worse is such that the organization is different in individual police stations i.e. in one police station is responsible the General sector, and in the second police station is responsible the Department of Crime police or claim that they generally have no jurisdiction, so the inspection and State Investigation and Protection Agency are taking responsibility.

In this part, the success is partial so that only a few police stations / administrations have issued a resolution of prohibiting the public communication of authoring musical works, and those are: the police administration of Travnik, Novi Travnik and Zavidovići.

However, when the mentioned Decision is made, the Misdemeanor proceeding won't be activated with a view to impose the fine or another penalty.

We ask every day by phone and in writing way for information which we need to institute proceeding before a court, without which we cannot do anything and which refer to information about the organizer of the concert, information about caterer or information about the concert. But we often do not receive the requested information or we get them along with a lot of effort with various explanations or by ignoring our requests.

The solution on the horizon

The efforts of Professional Service with a number of police stations which have expressed an active interest of respecting of the provisions the Law of the collective management of copyright and related rights, was brought a great success at the end of December. After several letters and meetings and more than 1,300 requests with the prohibitions, sent by the Professional Service to police stations in 2013, all of that was brought success at the end. In fact, after we have initiated suggestions to police stations which did not know how to act according to our requirements for the prohibitions of performing of music, they have requested from the Prosecutor's Office of Bosnia and Herzegovina the instructions for procedure.

The Prosecution of Bosnia and Herzegovina has issued 27/12/2013 " Guidelines for procedure anent of the implementation of the Law of the Collective Exercising of Copyright and Related Rights "which clearly and unambiguously interpret that the competent authority pursuant to Article 27 of mentioned Act, is relevant that on the request of AMUS, as the collective organization, "prohibits any use of copyright musical works unless the organizer has not acquired the rights or approval from AMUS". Further, the same instruction obliges all employees of the Ministry of Interior to send all users of copyrighted material to contact AMUS with an objection to the obligation of concluding the contract that is prescribed by Law. This instruction of Prosecution of Bosnia and Herzegovina is so far clearly expressed document in terms of jurisdiction and responsibility of the police departments / stations that implement the Law on collective exercising of copyright and related rights, and direct cooperation with AMUS as the legitimate representative of authors.

Thus the efforts of the Expert Service practically since the beginning of operations in terms of animation staff of the Ministry of Interior to engage more actively in the implementation the Law of the collective exercising of copyright and related rights have brought success.

The Expert Service will monitor the progress, but we believe that hereby was solved the biggest problem that is now within solving of the Ministry of Interior. It is a form of Solution, which concerning the prohibition and questions such as: who is appellate authority, does an appeal delay an execution, etc.

In any case, we expect that some police stations after this Instruction will show more vigor and efficiency in the implementation the Law of the collective exercising of copyright and related rights in their jurisdiction. We are distributed to all police stations a text of Solution on the prohibition which the police in Croatia does on the basis of the same legal member, and we are also distributed copies of the Decision on the prohibition issued by the police stations in Bosnia and Herzegovina. In any case, the responsibility is on the interior ministers of Bosnia and Herzegovina as well as on the police commissioners to instruct uniformed police on the ground to act on the demands about the prohibitions of AMUS.

Cooperation and contacts with the courts in Bosnia and Herzegovina

The courts are the last in a series of organs that needs to act, although we have had so far a large number of inquiries and requests for clarifications from the court instances.

The impression is that in the past 20 years in Bosnia and Herzegovina there is no trial and no verdicts on the basis of violation of authoring music rights, although the Law of the Collective Management of Copyright and Related Rights in Bosnia and Herzegovina as well as the Criminal law of Bosnia and Herzegovina, clearly provide the jurisdiction and the concrete criminal and penal measures.

The situation has began to change in 2013 because the CDLP project, within the Department of Commerce of USA made a Handbook for judges and prosecutors which represents the series of judicial and prosecutorial instances in the field of intellectual property and particularly in the field of the copyrights. Those are the practical examples of judicial experience in the region and clarifications of the details of litigations and judgments, and that is exactly what missing to our judiciary. The Expert Service cooperates with this project because it has the capacity to significantly remedy the current state of the judiciary and we expect to continue joint activities in 2014.

The Prosecution of Bosnia and Herzegovina

During the planning of meeting with the Chief Prosecutor of the Prosecutor's Office of Bosnia and Herzegovina Mr. Goran Salihovic we want to raise the issue of filing lawsuits against the permanent violators of copyrights and against the proven violators of copyrights. In fact, even after more than one hundred applications there has not been filing lawsuits in the Prosecutor's Office of Bosnia and Herzegovina under the assumption that it is a limited capacity of the Prosecutor's Office and the relatively small amounts of money. All we need in order to move this untenable situation from the dead point, is the launch of a number of different cases of copyright infringement of various types in order to establish a juridical precedent that would be the guiding principle in all cases in this field.

Generally, to the police is unclear who initiated legal proceedings in the event that the organizer of events does not respect the ban issued by the police station on the request of AMUS according to the Law of the collective exercising of copyright and related rights. According to the Criminal Code of Bosnia and Herzegovina, unauthorized use of copyright works is defined as a criminal offense and some suggest that the State Investigation and Protection Agency is responsible for instituting proceedings. Remark to the State Investigation and Protection Agency and to the Prosecution of Bosnia and Herzegovina is logical because the unauthorized use of copyright works is a criminal offense according to the Criminal Code of Bosnia and Herzegovina. So we will point out this problem and try to reach a concrete solution at that meeting.

Cooperation and contacts with employees of the Tax Administrations

Generally, the communication and cooperation is not satisfactory with the tax administrations. Cooperation on our initiative has resulted many times positive on the field and the required documents have been submitted to us, but these were sporadic cases. The main obstacles in our cooperation are internal regulations that connect them. The exception is the Tax Administration

of the Federation of Bosnia and Herzegovina, i.e. director Midhat Arifović who showed a very active interest and who offered cooperation within the limits of its powers in law enforcement in the field of copyright.

CATERING AND THE PUBLIC PERFORMANCE

Planned income		409.000,00 KM
Realized/invoiced		283.363,91 KM
Concerts	invoiced	89.047,05 KM
	debts	37.891,55 KM
	collected	58.567,70 KM
Lump-sum	invoiced	169.433.20 KM
	debts	100.645.60 KM
	collected	68.787,60 KM
Shopping Centers	invoiced	15.225,41 KM
	debts	1.522,40 KM
	collected	13.703,01 KM
Hotels	invoiced	9.658,25 KM
	debts	5.990,65 KM
	collected	3.667,60 KM

The remark: Realized income was lower because caterers avoid signing the individual contracts, under the influence of the Association HORECA which is a signatory to the Collective agreement on tariffs with SQN Ltd., i.e. because of ignoring invitations for new negotiations on the establishment of tariffs. It is a category of users where the establishment of a contractual relationship will last for years because of the number of restaurants and office spaces that use music throughout Bosnia and Herzegovina.

In this most demanding segment of operation of a collective organization, most of the operating time and all available resources of the Professional Service were placed periodically, available to this department. Intensive campaign that started early in the year (radio, the TV jingles) have also accompanied the activities such as: sending calls through mass media in daily and periodical newspapers, over one thousand letters have been distributed with information sheets with all the information which could be of interest for the hospitality industry, including also a tariff.

We were focused on concrete objects and organizers, initially, mostly in Sarajevo due to geographical location and opportunities for personal contact employees. In this respect, the situation in the department is as follows:

By signing of the Collective Agreement by SQN Ltd with a representative association of catering workers Association of Hoteliers and Restaurateurs (HORECA), in May 2011, are created conditions to start collecting royalties from restaurateurs and hoteliers. By this contract, the representatives of caterers have accepted a value, of using music in their premises.

Since acquiring the license we largely managed to inform and educate the users of authoring musical works about their obligation to respect authoring music rights. This activity will most likely take several years, and the concrete results will depend on two factors:

- of implementation of the Law of the collective exercising of copyright and related rights by the competent authorities, primarily the police and market inspections,
- of determination and of focus of AMUS, that through court proceedings compels lawbreakers to finally begin to respect copyrights.

Concerts

Taking into account the small number of employees in this Department, so that the number and range of licensed shows in relation to the actual number of performed public performances in Bosnia and Herzegovina is relatively small, given that there is no rule that would force the organizers of concerts and owners of restaurants to make a contract with AMUS, but it all comes down to search the internet and all kinds of media, and also on the personal acquaintances as well as contacts of employees of AMUS.

Number of licensed concerts in 2013 was bigger than 150, and some of the larger are:

- Željko Joksimović (Bijeljina)
- Halid Bešlić (Sarajevo)
- Severina (Sarajevo)
- Thompson (Mostar)
- Vaya Con Dios (Sarajevo)
- Zabranjeno Pušenje (Sarajevo)
- Aco Pejović (Sarajevo)
- Mostar Blues&Rock Festival (Mostar)
- Hanka Paldum, Edin Huseinbegović, Armin Muzaferija, Burhan Šaban, Aziz Alili, the Choir of Majlis of Islamic Community (Sarajevo)
- Concerts during the Sarajevo Film Festival (The Youth House Skenderija)
- Ana Rucner (Sarajevo)
- Mostar summer fest (Mostar)
- Massimo Savić (Banjaluka)
- Dubioza Kolektiv (Sarajevo)
- Kaleidoskop festival (Tuzla)
- Mostar Sevdah Reunion (Sarajevo)
- Oliver Dragojević (Sarajevo)
- Aleksandra Radović (Mostar)

- Saša Matic (Sarajevo)
- Sergej Četković (Sarajevo)
- Miligram (Mostar)
- Halka (Bihać, Prijedor, Sarajevo, Tuzla, Zenica, Bijeljina, Brčko, Goražde)
- Mladen Vojičić Tifa (Sarajevo)
- Erogene Zone (Lukavac)
- Sars, Marko Nastić, Still Crazy and Damir Nikšić (Zenica)
- Ilidža Festival 2013 (Sarajevo)

This number also has a number of smaller concerts, including those for the New Year across the country, which eventually gives a total of 150 concerts i.e. performances that can be put in the category of concerts.

LAWSUITS

Unfortunately, for some of the enumerated the lawsuits are in progress because of not respecting provisions of the Agreement (Indexi, Kemal Monteno and Aca Lukas in Sarajevo, Kaliopi in Sarajevo, Tuzla and Zenica, and Zdravko Colic in Tuzla), and also were initiated the trials for collecting damages by contracts for unpaid royalties. It also was instituted proceeding before the court for damages against several restaurants (hotels, discotheques, bars) and among others, against the hotels Hollywood, Europe, City Boutique and Bosnia in Sarajevo, and were sent over 60 warnings before a claim for various categories of users (bars, hotels, chains of markets, and also for commercial facilities and for the retail facilities) such as Mercator, Konzum, Energopetrol and for others, and the communication is in progress and may end up by signing a contract.

Catering facilities

The situation of this category of users is similar to the previous one, without the active participation of government bodies (Ministry of Internal Affairs and an Inspection). Contracts were made by an ad-hoc method. By this method, the result of AMUS in 2013 was 350 contracts with facilities in the Federation of Bosnia and Herzegovina while the Republic of Serbian is still practically the uncovered, partly because of the aforementioned problems inclusion of competent authorities, and partly because of the lack of representative offices in that entity. In mid-December the Inspectorate of the Republic of Serbian announced in the mass media starting of action of supervision of restaurants, which is very positive, and which is influenced on the number of objects from Banjaluka that wanted to be informed about conditions. The result of these activities will be realistically evident until next year.

Hotels- The beginnings of collecting

We have sent invitations of making contract to hotels in Bosnia and Herzegovina that have a special tariff. At the suggestion of hotel owners, who gathered in an Association HORECA which is also a signatory to the Collective Agreement for restaurants with SQN Ltd. in May 2011, the Board of Directors of AMUS in February, gave guidance to the Expert Service about proceeding, and initiated the process of establishing of contracts with hotels throughout Bosnia and Herzegovina according to the adopted plan.

Based on the list of all hoteliers in Bosnia and Herzegovina that we have got from the Association of HORECA, we have sent by mail and through e-mails the invitations with the draft of agreements on regulation of permit for use of copyright musical works, for all hotels that have 5, 4 and 3 stars, for representative motels and ethnic villages. The calculation of royalties we performed with a discount approved by the Board of Directors.

We were faced with obstructions by the President of the Association of HORECA who is also the owner of a hotel and to whom we sent an invitation for the conclusion of contracts and draft of the same. The President has denied what he signed after the reaction of manager and owner of the hotel when they have received our mail and emails and they have generally ignored our calls on the conclusion of a contract. We sent via of the Official Gazette, in September 2012 the repeated invitation for negotiations with the Association of HORECA, but the Association has ignored that invitation, so it was not possible to negotiate about the new tariffs.

After series of emails in which we informed the mentioned members about their statutory obligations and because we have exhausted all the possibilities and statutory preparatory works for the Court procedure before the competent Court in Sarajevo, we have submitted the following items to attorney's office which represents us, and we have also initiated the collection of using authoring musical works through the courts:

Hotel Europe stock company	13.472,00 KM
Hotel Hollywood Ltd	16.800,00 KM
Hotel Bosnia Ltd	6.720,00 KM
Hotel City Boutique Ltd	5.920,00 KM

After receiving of warning before a claim, hotel Bristol Ltd. Sarajevo has answered and signed a contract and began to pay regular monthly fees.

When defining the complaint amount, the calculation is done at the full tariff and no discount that is approved by the decision of the Board of Directors. Due to the current situation we have not increased the complaint amount for 300% with the Association of HORECA, which is possible on the basis of legal provisions and of the member of the Collective Agreement.

The lawsuits against following hotels are in preparing:

1. Hotel Heco Ltd Sarajevo
2. Hotel Melody Ltd Sarajevo
3. Hotel Deluxe Ltd Sarajevo
4. Hotel Rimski Most Ltd Sarajevo
5. Hotel Belvedere L td Mostar
6. Hotel Ero Ltd Mostar
7. Hotel Bristol Ltd Mostar

At the beginning of the winter season and visiting to hotels Pahuljica Ltd. and Blanca Ltd. on mountain Vlačić, the agreements have been signed on the use of copyright musical works with these hotels. The invitations are sent for the conclusion of the contract to all other hotels in ski winter centers in Bjelasnica, Jahorina and Vlačić.

TRADE CHAINS -SHOPPING CENTRES-BUSINESS AND SALES OFFICES

In late 2012, we have established communication with the Association of trade chains which operating within the Foreign Trade Chamber of Bosnia and Herzegovina. Thus we opened negotiations on tariffs for this type of use of musical works.

With the negotiations came in crisis due to obstruction of the leadership of the Association, and knowing that the Association is not a legal entity that can sign a Collective agreement, in order to prevent further delay the start of collection, we decided to sign several individual contracts with users with the levels benefits we consider they are correct. Following the publication of these contracts in the Official Gazette of Bosnia and Herzegovina, according to the letter of the Law, it, has the force of established tariff. After that Professional Service has joined to the activities related to signing contracts with all users in that category with an invitation that they legalize the use of music.

In this sense, we began negotiations with Mercator Bosnia and Herzegovina Ltd. and with Konzum Ltd. as representative regional companies in the category "Trade chains". Negotiations have not yet been finalized because the representatives of both companies were waiting for the outcome of the synergies these two companies by the new joint owners, of AGROKOR from Croatia. We have sent a warning before a lawsuit for the responsible persons in both companies in Bosnia and Herzegovina because we believe that the unauthorized use of music copyrights in their business units has to be paid without delay, and we got a certificate from their responsible officers and also from the legal service that they are ready to continue negotiations and that there is no need for litigation. It has been announced, that we will continue the negotiations in the beginning of 2014. We will try in negotiating achieve a deal to pay a fee of 22.06.2012. In case they do not accept our proposal, we will conclude a contract with the date of agreement on the rights and obligations under the contract on the use of copyright musical works, and we will raise the lawsuit for the previous period.

The first signed contracts with shopping centers

Given that there is no representative association for the category "Shopping Centers" in Bosnia and Herzegovina, we have based negotiations on the harmonized tariff with the neighboring countries which is our legal obligation. We reached an agreement and signed a contract for the use of authoring musical works in object of the BBI Center in Sarajevo, which was published in the "Official Gazette of Bosnia and Herzegovina", No. 70 of 10.09.2013. that complies with the legal obligation about the existence of Tariff for the category "Shopping Center".

Then we sent an invitation for making contracts for all major shopping centers. We signed the contracts with the center ALTA in Sarajevo, with WOG center in Vogosca, with Intershop Ltd. in Sarajevo and with the Center of Skenderija. We are in discussions with Omega Živinice, with the center Importanne and others.

The first contracts with the chains of business and sales offices

In parallel with the beginning of negotiations with shopping centers, we have started negotiations with the representative companies in the category "Business and Sales offices". Specifically, we have successfully negotiated and have obtained a tariff for this category with the Company Inditex

Ltd. i.e. with global brands such as Zara of Bosnia and Herzegovina Ltd, Stradivarius Ltd, Bershka Ltd and Pull & Bear Ltd. An agreement on the use of copyright musical works with Zara of Bosnia and Herzegovina Ltd. we published in the "Official Gazette of Bosnia and Herzegovina", No. 70, of 10.09.2013 that complies with the legal obligations about the existence of Tariff for the category "Business and sales offices".

In accordance with the business plan of the Professional Service we sent the invitations for the conclusion of the contracts for all major customers in this category. We also sent e-mails with the Law on Copyright and Related Rights and the Law of the Collective Management of Copyright and related rights as well as the interpretation of the Institute for Intellectual Property about representing of AMUS of all authors in the world and etc. and all in order of better informing the future users.

As a result of all these activities are the agreements signed with Terranova stores and with Magaza Ltd. We are in discussions with representatives of OVIESSE sales offices, with LC Waikiki and also with M-Tel outlets.

Of particular importance is the agreed contract with NIS Petrol doo and Gazprom Ltd. (formerly OMV) gas stations. We have also sent an invitation to other companies such as: HIFA Group Ltd., Energoinvest stock company, Petrol Ltd., Mandic petrol Ltd., Ina Ltd. and others.

An agreement was reached in obtaining licenses for the use of copyright musical works in the bank branches. Namely, Sberbank has signed the agreement with the branches of bank which use musical authoring works. We have also sent an invitation for the conclusion of contracts for all other banks if they use musical authoring works. We think that only with consistency we can show seriousness and change awareness of responsible people in restaurants and it is a result of the age-long inaction of SQN in this segment. If we intend to be successful and effective, we need to show serious intent to sue anyone who does not respect the details of the signed contract, regardless of who they are and regardless of the amount.

Also, for sign the contract on a voluntary manner with as many users of music in the restaurant business, it is necessary to continue with a positive campaign to users of music in the restaurant business through the contracts with the electronic media, with creating and distributing information leaflets about AMUS by legal requirements and obligations.

AMUS IN THE COMMITTEE FOR THE PROTECTION OF INTELLECTUAL PROPERTY RIGHTS OF AmCham!

We recognized an interest of AMUS in contributing to the work of this committee and in advocating for better law enforcement in the field of copyright. The decision of AmCham itself to receive AMUS, is also confirmation of the reputation of AMUS that presented itself, for a short time in international business community in Bosnia and Herzegovina as a partner in the development of the general state of intellectual property rights in Bosnia and Herzegovina. For AMUS is an honor to be part of such an organization, because we are an equal participant of strongest team in Bosnia and Herzegovina in order to protect intellectual property rights and combating piracy.

AmCham (American Chamber of Commerce) is an association in Bosnia and Herzegovina from 50 largest and most advanced domestic and foreign companies and organizations in country,

today, in order to use services that AmcCham provides to its members. Companies and business leaders have joined to AmCham from different reasons. Basically, they want to contribute to the strengthening of law enforcement in the field of intellectual property in the country in which they operate and also want to contribute to strengthening the implementation of safer operating conditions, but also they want to express the support without direct benefit for themselves.

OTHER ACTIVITIES OF THE PROFESSIONAL SERVICE

In accordance with international standards and practice of collective organizations, the Professional service has started with the series of activities related to the operation of this type of organization. We will present briefly the most important undertaken activities.

An Invitation for our members who play in clubs in Bosnia and Herzegovina

Expert Service has issued an invitation for all our members who play in authoring bands and play their own songs or authoring songs of other members of the Association, to report us monthly about terms of performs in clubs. For reasons that when a club makes a lump-sum payment of money, we will distribute the funds equitably to authors whose songs were performed. If the band has many authors of our members, they will report to us about the ratio of authorship which will register the royalties from this repartition class.

The publishing contracts

In accordance with the Law and with the License of Institute, Expert Service has contacted all publishers in the territory of Bosnia and Herzegovina to conclude an agreement with AMUS and to legalize their publications. After the first signed contract with "Sarajevo Disk", the contracts were also signed with "Eroton" from Mostar, with "Hut" from Banja Luka and with "RSG Publishing" from Sarajevo. In preparing are the contracts with publishers from Medjugorje, from Banja Luka and Travnik.

DJ Licenses

In accordance with the practice in the world, it became clear that the users / authors of electronic music have to be in accordance with the legal frameworks of legal of using of works. At the suggestion of the Professional Service, the Board of Directors of AMUS has made a decision that all DJs, who apply for a license to use musical works by the end of 2013, need to be exempted of paying fees for the use works for a period of one year, given that is a completely new concept and generally unknown in these areas.

Internet media

According to the interpretations, the Communications Regulatory Agency is not responsible for the internet based radio and TV stations as well as for the portals with streaming, with download and on-demand services. Since it refers on a new form of music users in public domain, Professional Service has made a study for a new segment by following the trends in the world in the field of collective management of copyrights and has prepared a licensing of this type of users musical authoring works in the region and the world. The study is based on geo-economic position of the citizens of Bosnia and Herzegovina which as individuals can give this type of service.

Following the results of this study, Expert Service has proposed a contract or fee for these media, leading to limits of our legislation and European directives in cross border licensing. Given that this part of the activities of the Professional Service has just got his official form, the first contracts are expected in 2014.

The establishment of library for collective exercising of copyright

Part of the success of cooperation Professional Service with the CDLP project that has already been mentioned in this report can be seen at the beginning of the creation the professional library with current titles. The purpose of the library is collecting of literature about the rights and protection of authors, the collective management of copyright and related rights in Bosnia and Herzegovina and the world, etc.

Those titles will be available for employees of the Expert Service, interested authors and to students who are doing the research papers on this topic as well as for others to expand their knowledge in the field collective management of rights. In close collaboration with the project CDLP US Department of finance and trade, we managed to secure a donation in the form of the last editions of books of modern titles and scientific papers in the field of copyrights. This library is intended for members of AMUS and for students who want to deepen the knowledge in this field by working master thesis and other scientific thesis on this subject. Of course, the library is on service and other interested institutions and organizations for which we asses that they may be useful in strengthening of circle of knowledge in relation with copyrights. In the first contingent of professional literature we have got the titles that you can see in this table:

TITLE	AUTHOR
INTELLECTUAL PROPERTY AND INFORMATION WEALTH - ISSUES AND PRACTICES IN THE DIGITAL AGE - TRADEMARK AND UNFAIR COMPETITION -VOLUMES I, II, III IV	PETER K. YU
COLLECTIVE MANAGEMENT OF COPYRIGHT AND RELATED RIGHTS	PROF. DR. DANIEL GERVAIS
- INTERNATIONAL COPYRIGHT AND NEIGHBOURING RIGHTS -THE BERNE CONVENTION AND BEYOND-"VOLIMES I AND II"	SAM RICKETSON AND JANE C.GINSBURG
- CHOICE OF LAW IN COPYRIGHT AND RELATED RIGHTS - ALTERNATIVES TO THE LEX PROTECTIONS	MIREILLE VAN EECHOU
DIGITAL MUSIC WARS - OWNERSHIP AND CONTROL OF THE CELESTIAL JUKEBOX	PATRICK BURKART AND TOM McCourt
THE FUTURE OF MUSIC - MANIFESTO FOR THE DIGITAL MUSIC REVOLUTION	DAVID KUSEK AND GERD LEONAHARD
THE FUTURE OF MUSIC - MANIFESTO FOR THE DIGITAL MUSIC REVOLUTION	JESSICA LITMAN
DIGITAL COPYRIGHT - THIRD EDITION	STEVE GORDON
THE FUTURE OF THE MUSIC BUSINESS - HOW TO SUCCEED WITH THE NEW DIGITAL TECHNOLOGIES -THIRD EDITION	STEVE GORDON

INTERNATIONAL SECTION

The key success of this department is receiving of AMUS in membership of the International Conference of Societies of Authors and Composers in June 2013. So, AMUS has become the

youngest member of the International Conference of Societies of Authors and Composers under the number 273.

Soon we signed reciprocal agreements with collective organizations in Turkey, Vietnam and in Azerbaijan. So, AMUS has become a point of communication in Bosnia and Herzegovina, on the world map.

At the same time the international department has made in active communication with CISAC, ASCAP and with SUIA all the necessary steps for direct access to base of works of IPI and WID, and sent a number of authors who are registered in the database of IPI, under the number 273, and it is a code of CISAC for AMUS i.e. the new collective organization from Bosnia and Herzegovina.

International department has successfully coordinated the regular exchange of information on the activities of AMUS on establish cooperation with a number of sistership societies, primarily from the region (SOKOJ from Serbia, HDS-ZAMP from Croatia, ZAMP OF Macedonia, PAM OF Montenegro and SAZAS from Slovenia), and then also with a few friendly companies from the rest of the world. This proved to be very important because of the constant anti-propaganda in which SQN Ltd. has attacked CISAC and its members, and especially the neighboring area.

The beginnings of regional cooperation

We got the assurances that we will sign with companies in the region the reciprocal agreements on mutual representation after the completion of the Administrative dispute which is related to the issue of allocation of license. And because of that reason, Sine Qua Non has initiated in the middle of last year the Administrative dispute against the Institute for Intellectual Property of Bosnia and Herzegovina.

We also got the belief that the sistership organization from Croatia (HDS-ZAMP) will pay the collected funds in 2012. allocated to the authors from Bosnia and Herzegovina, to AMUS, after the completion of dispute.

The regional meetings and working visits to the sistership organizations

All societies from the former Yugoslavia are meeting regularly three times a year and exchange information and discuss the activities in which they participate together in the field of common interest.

In Podgorica, on 29th and 30th of October, was held the first regional meeting of heads of Professional services, to which was invited AMUS - Expert Service.

Colleagues from the region have got full information on the progress that AMUS has achieved in the previous period from getting the license and because of that we have got the undivided greeting cards. The interest of all companies in the region, and in the wider environment, is such that the situation in Bosnia and Herzegovina has become much stabile after changing the license, and began to have significant results in combating piracy in our country.

In the past AMUS decided that is necessary to visit the Organization for the Protection of the Rights of Authors Music of Montenegro (PAM) for the presentation of their software system and

assessing suitability for our needs. Also, due to the signing of the first of reciprocal agreement, at the invitation of Turkish society (MSG), delegation of AMUS was staying in Istanbul together with the President of the Assembly.

Professional service had on three occasions during 2013 the work consultations, as well as professional and targeted consultations in HDS-ZAMP (Croatian Composers' Society) ,by planning them within the framework of participation on international conferences and the consultations in connection of the collective management of rights, for reasons of efficiency of travel expenses. We have also participated in workshop of CISAC about copyrights in Istanbul as well as on compulsory annual meeting of European societies members of CISAC in Budapest.

Website in English

By finishing of the preparations for the start of work of the reciprocal agreements with all collective organizations, of a priority significance and in order that we meet all standards for international communication, Professional service has put into operation a web page in English ,has translated all the necessary documents of AMUS as well as the ratified conventions, and also has translated and has linked legislative necessary for the representation of one collective organization from Bosnia and Herzegovina on the international scene.

Resolving the issue of belonging membership

The rest of our members who are still registered as members of SQN's, will be automatically transferred in AMUS, together with the entire repertoire, having complied with all the procedures that CISAC has set, given that this is an act unprecedented in the present activities of this organization, so that the process of pre-registration from the society to the society is temporal uncertain.

A DEPARTMENT OF DOCUMENTATION

Buying of "CoSIS" program for automatic recognition of authorship in the works, submitted by electronic media.

One of the legal obligations of AMUS as a collective organization is putting of the computer program available to users that will automatically perform recognition of the author in music works that are performed in the programs of the electronic media. This process lasted more than a year and included the contacts and visits with sistership associations in the region.

Governing Board of AMUS is by examining the collective information and analysis on the benefits of the quality and price of cost, made a decision on the purchase of software for automatic data processing by the Swiss Collective Organization (SUISA) and its partners Right Alternatives, under the name, CoSIS. Besides the fact that represents a condition for the operation and that he is the backbone of the work of one collective organization , this program is based on the direct use of IPI and WID base of authors and works, and as such meets all the standards that are set by CISAC.

CoSIS is used in more than 30 countries worldwide and , generally, is accepted as the ideal program for small and medium companies, for the automatic recognition of authorship in works submitted by users: electronic media, cable operators, caterers etc.

The price of CoSIS system is 2.500 EUR, the maintenance is 1,500 EUR(for a four-year period without interest) and total is of 16,000 EUR. As part of the price is the mandatory maintenance by the representatives of SUIA and of CoSIS which implies the remedying of failure within 48 hours.

Immediately after the agreement on procurement of CoSIS, representatives of SUIA have visited AMUS and they have held an intensive course to use of program, which was attended by representatives of the Professional Service and representatives of the Board of Directors, in order to understand the principles of operation and complete transparency in the operation and in handling of software. In plan is the second part of (the mandatory) the education on use the program that progressively increasing along with the scope of authors and works of AMUS.

CoSIS- software system for automatic data processing

After analyzing of offers several relevant global and regional companies engaged in the production and sale of the software programs for controlling systems with the same or the similar purpose (collective representation of copyrights, Professional Service has got information about CoSIS system of company Right Alternatives from Switzerland which has been developed with the support of CISAC, and the Swiss collective organization SUIA is managing by it). Over 30 companies in the world use this software system, and these societies as well as AMUS, according to CISAC, fall into the category of small and/or undeveloped societies.

CoSIS system is directly connected with the administration of IPI database (Interested Party Information, international base of authors), and with the administration of WID database (Work Information Database, international base of works) and also is connected with societies that govern those data. Professional Service is through online lesson and by checking entries in these databases during six months, has gained direct online access to these databases. This means that when we enter the authors and works, they automatically go into the global database, and it does not require any further procedures. It gives us a great advantage in speed over the companies which exist longer than us, and yet have no opportunity to have direct input into the global database as well as communication with administrators above mentioned database because we do not have to wait verification or certificate by third party.

For comparative purposes, more than 10 years were needed that SQN has direct access to data bases of WID and IPI and also for the direct entry of works and authors in these bases, as well as coordinating the work with the standards and formats and that is something what CISAC requires from its members, and besides, nor 30% of total works of authors from Bosnia and Herzegovina haven't been entered in the global bases. The purchase of CoSIS system is partly responsible for all of this.

For the fully functioning of the system is necessary to increase the team and this process is prior in the course. It is necessary to have a team of trained operators, of administrators and supervisors of the system, so the conditions were created for the further rapid development in June, with buying of system and also with completion of initial instruction.

CoSIS system that we use consists of several systems:

1. CoSIS Member System: allows direct entry and maintenance the system of members and beneficiaries of the Association, and their information.
2. CoSIS Work System: allows maintaining national and international base of repertoire. An updated and well documented database of subsystem "Work Database" is a fundamental element for the work of the Expert Service in an effort to achieve an efficient and successful subsystem of distribution.
3. CoSIS Distribution System: an integral part of the solution, designed for the realization of complete distribution, from data collection to the payment of royalties to members and to sistership organizations.
4. CoSIS System Administrator: a central module that allows configuring and maintaining the System with all subsystems. Items in this subsystem have an impact on all users of the system. The module allows us to:
 - a. The keeping of members, users, operators, administrators and provides general information to users.
 - b. Adjustment-the way that data are shown in the reports (Label and table definitions, number handling) and on-screen.
 - c. Management by the various modules (Work, Member, Address...)
 - d. Performing administrative tasks (reorganization of the database)
5. CoSIS Address System: allows managing by the system of addresses the users and members.

Functioning and operation of the system CoSIS

Currently, we manage actively with all subsystems that are fundamental to our work and for fulfilling of our primary objective, and that is: efficient entry, processing and analysis of data, reports and, at the end payments of royalties which are planned for 2014.

- Member System: the collected data that are entered and processed, for over 470 members.
- Work System: over 11.000 works of our members were entered and processed. In this subsystem will be entered bases, and the sistership organizations will forward these bases to us, in formats suitable for the fast and an efficient exchange and use of data in CoSIS system. This is a very important element for the further automatic data processing because we expect to significantly reduce the time invested in the registration and manual processing of data, which will be necessary in case that we do not realize a plan about the incorporation of bases the sistership organizations.
- Distribution System: about 21.000 of lists of broadcasted works were collected on radio and TV stations to the second half of 2013, which is multiply more of the collected data in relation to the first six months. Each list contains between 500 and 3.000 individual works which are broadcasted on a certain television or on the radio station in a given period.

Introducing of Matching system will speed up, facilitate and cheapen the work of the Expert Service

The introduction of additional module of CoSIS, " Matching System", is planned for February 2014. This module is under development and we have tested the working version at the end of the year

that has shown positive results in improving of the percentage of automatic recognition of musical works from the reports sent by the electronic media. Creating a new module is in the final stages and promotion is planned for January 2014. This useful software plugin will enable a direct or automated entry of complete lists, thus we should reduce the operating time required for entering these data into the system and ultimately cheapen complete data processing. This means, the higher level of automatic processing will reduce the need for permanently employed operators. According to estimates by consultants who were doing an instruction in the Professional Service in June, for collective organization of our size, i.e. for the country with an extremely large number of electronic media in relation to population and to their economic standard, it is necessary 8 or 10 workers who will complete the processing and distribution for some 7 or 9 months.

This addition to the original CoSIS system will just appear in offer, after the test period and has been specially made for the company of our type.

Delivery of information

In accordance with the law, with signed agreement and internal Ordinances, all broadcasters are obliged to submit a list of broadcasted works. We have reached an agreement with the responsible persons in the associations of electronic media and we think it is enough that reports are sent twice a month for each month (the reports about broadcasting are sent every 15 days). This dynamics means that every broadcaster has an obligation of keeping of the broadcasting content according to the Communication Regulatory Agency. There were 12 workers who are regularly performed the part of such obligations in the first half of 2013.

In the second half of the year, on insisting the Professional Service for a regular posting of relevant information, this number increased to 40 media whose data can be used directly through CoSIS Matching System, along with 20 other media that require specific technical seed processing before of entry in system.

A list of broadcasted works, together with the paid funds, form the backbone of the system for distribution of royalties, because it functions on the principle of determining the ratio of distribution of money in accordance with the payment of emitters, as well as submitted lists of broadcasted works and authors who are the members registered in base of AMUS.

This is a fundamental process for the operation of a system which is necessary to control every day due to the amount of data. Department for documentation is in daily communication with the technical support of Right Alternatives towards of operative business and of solving of eventual problems specific to the area of Bosnia and Herzegovina (mixture of the authors and authorship with other companies, the refinement of lists of performed works from the signs and font that the system does not recognize, such as : affricates, weekly update of database of IPI and WID, avoiding a collision during process pairing of the works with the authorships, first avoiding with our national database, and then with internal database, drawn up in CoSIS system and finally with the aforementioned databases of IPI and WID of authors and works.

FINANCIAL REPORT FOR 2013

In accordance with Article 20 (Annual Report and Audit), paragraph (1), item a. of the Law on the Collective Management of Copyright and Related Rights ("Official Gazette of Bosnia and Herzegovina", No. 63 of 03.08.2010) hereafter the annual report of administrative and supervisory authorities on the amount of received fees, their distribution, operation of the collective organization, in fulfillment collective agreements referred to Article 24 of this Law.

Amounts which are presented in the balance sheet and accomplishment are cumulative totals for the overall operations of the Association.

Revenues and expenses for the period of 01.01.2013-31.12.2013.

- AMUS THE PROFESSIONAL SERVICE

Opening balance on account 01.01.2013.	6.448KM
Total invoiced revenue	2.632.988KM
Total received revenue	1.867.666KM
A total uncollected	758.874KM
Note: the amount provided for the payment of royalties in 2014. together with the future received fees in 2014.	

- AMUS A balance sheet on a day 31.12.2013.

A.	REVENUES	2.632.988KM
Revenues represent:		
- Revenues from its own activities (2.632.988KM) i.e. the invoiced amount to customers;		
B.	THE TOTAL EXPENSES	1.166.075KM
Total expenditures are:		
- Royalties paid to authors		605.483KM
- Compensations for the work of the Presidency of the Board of Directors (Note: * 61.224, 12KM the amount relating to compensations for the period 02.-12.2012. * The President of the Assembly has waived of fees.)		123.632KM
- A salary of secretary with the taxes from 15:10. to 31.12.		4.234KM
- Other agreements		14.549KM
- Salaries of employees with taxes (Note: * 59,550.73 KM is the amount relating to the period 02.-12.2012.)		265.901KM
- A material and energy		12.544KM
- Services (Court costs and legal services, accountancy, taxes, maintenance of equipment, lease and use of space, bay box, bank fees, costs of phone, Centrex, Internet, domain, license costs, ISUSA software, advertising costs in daily newspapers and in the Official Gazette. Other miscellaneous expenses (postage, AFIP control, certification of documents, copying materials for the Assembly and other purposes, updating instructors in the area of electro-intranet net and the like). Other services: (services of entry and data processing, software solution for entry and use of data about users and monitoring of issued and received invoices). Printing services (brochures, leaflets, banners, promotional material, etc.)		89.649KM

- Amortization	1.760KM
- Financial expenses (insurance policies)	684KM
- Travel expenses (home and abroad)	25.797KM
- Humanitarian expenses	9.430KM
- Taxes and contributions that do not depend on results	7.793KM
- Other expenses	8.850KM
C. RESULT: surplus revenue	1.466.913KM
This amount is the result of the difference between Revenue and Expenditure and it consists of:	
- Total outstanding receivables	758.874KM
- Total billed for the payment of royalties in 2014 from 2013.	714.509KM

Presidency, Board of Directors, Secretary and the Professional Service are costing total 560.592.00KM which means 21,29% of total revenue.