

# AMUS

ASOCIJACIJA  
KOMPOZITORA  
MUZIČKIH  
STVARALACA

АСОЦИЈАЦИЈА  
КОМПОЗИТОРА  
МУЗИЧКИХ  
СТВАРАЛАЦА

ASOCIJACIJA  
SKLADATELJA  
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STVARALACA

ASSOCIATION OF COMPOSERS – MUSICAL CREATORS



# ANNUAL REPORT 2022

**10** years of  
AMUS

Annual Report of the Association of Composers – Musical Creators – 2022

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## ADDRESS BY THE PRESIDENT OF THE AMUS ASSEMBLY

They say that a journey of ten thousand kilometers begins with a single step, but what they don't say is how much courage it takes to make that first step. Nevertheless, big and hard ordeals give success an even brighter aura and even greater significance.

It took a lot of effort, knowledge and courage to create AMUS ten years ago. We remember with pride the run-down room at Obala, second-hand furniture and computers brought from our own houses. It was a time of uncertainty and fear, but also a time of enthusiasm and burning hope that we would finally have our own rights and our own property in our own hands, and fight and win what is ours and what we have been creating for decades to the joy of all who love and respect music. That was ten years ago.

It is a big and important fact for all of us that AMUS still exists, and not only does it exist, but it is doing better and better every year. That, in the political and legal environment in which we operate, is truly quite a miracle. Every year of AMUS was a year of hard ordeals, but also every year when our rights and their realization were in the hands the authors themselves should be considered a great privilege, not to say also a gift from God.

Everyone still has a fresh experience of all the attacks and pressure we were exposed to, especially at a time when this young and new organization had yet to be built and put on its feet. We witnessed, and for the most part unfortunately we still witness today, the complete inertness and lack of interest of state institutions to improve the protection of our rights, and to finally and fully implement the Law on the Collective Management. As the crowning proof of such relationships and behavior, it is enough to mention that we are still the only country in the world where public services and state television do not pay for author's rights. It should not be emphasized how much this practice sets a bad example for small users and caterers and how difficult everything stated makes the work of the small number of AMUS employees.

It is difficult to explain why state institutions persistently refuse to do their job. AMUS has so far paid over BAM 10 million in taxes and obligations to the state, which could collect twice as much if their leverages such as inspections, prosecutor's offices, etc. were to be involved, and if all users of public use of music who do not have a contract with AMUS were to be sanctioned. This is how it works in all modern countries except ours.

A new bad experience for AMUS and its authors is the appearance of illegally registered natural persons and publishers of the works of BiH authors. Because of this and similar practices, especially by SOKOJ, AMUS has for years suffered serious damages and reduced payments from Serbia for its individual members. Correspondence is currently being conducted around this issue, in which, in addition to AMUS and SOKOJ, the international organization CISAC as well as the Intellectual Property Institutes in both countries are involved. A request was sent to provide AMUS with documentation related to suspicious contracts so that BiH authors could check them.

The good news is that in April of this year, a meeting was held in the Ministry of Finance of Bosnia and Herzegovina, where the members of the new government were fully informed about the situation with copyright in Bosnia and Herzegovina, as well as about all the problems in the work, but also about the great opportunities available to us to improve our cooperation in order for Bosnia and Herzegovina to catch up with Europe, where our authors have long belonged due to their knowledge and talent.

The good news also lies in the fact that we organized meetings and removed friction and misunderstandings with other collective organizations and BiH, and that today we act as a single block, aware that this is the only way we can fight for our goals and start the inert state apparatus to fulfill its obligations to the owners of the copyright and related rights.

The calming of tensions and turbulence in AMUS itself, the end of uncertainty about the license as well as the final registration of the new board in the register of the Ministry of Justice, contributed to a significant improvement in the media perception of our work, an increase in the efficiency of our administration, which ultimately resulted in significantly better results in collecting royalties. Final court decisions against public services are perhaps the best parameter for illustrating the newly acquired reputation and authority that our Association has today.

I dare to hope that after too long 10 years of ups and downs, various childhood illnesses as well as expensive lessons that we probably had to learn, AMUS is entering its mature years in which it should reach the successes and results of its older brothers in the region, regardless that, in addition to its efforts, it will still likely lack help and support for some time from those whose duty it is to do so.

But there is one support that has never and must not let us down and that gives us the right to hope for better days and even greater progress of AMUS. It is reliance on ourselves, it is reliance on each other, it is unity, honesty and trust, which is the only thing that has saved us until now and which will protect us in the future from all the temptations and challenges that await us.

I wish you a happy anniversary of AMUS, dear colleagues.

Summarizing the results of the work of the Association and the governing body, already at the beginning of the report, the opinion can be expressed that 2022 was a very successful year for AMUS.

On 21 June 2023, ten years have passed since, by the Decision IP-03-47-5-12-06059/12VT, the Institute for Intellectual Property of Bosnia and Herzegovina granted permission to the Association of Composers – Musical Creators for the collective management of copyright in BiH, for all authors of musical works from all over the world.

Those ten years of the Association were marked by numerous activities, from the very beginnings – the gathering of the largest number of musical authors of BiH, to the maximum possible results in the collection of copyrights for those for whom the Association exists. The results from 2022 confirm that AMUS is now in the rank of large and established collective management organizations in Europe. Therefore, it seems particularly significant that this, the tenth year, is the first year in a long series of years in which our Association did not survive significant internal turmoil and fear of losing its license.

This year, AMUS has invested in capacity building for the most effective and best enforcement of copyrights, especially for our members, but also for authors of musical works from all over the world. Special activities are more intensively directed towards users who skillfully used our problems in the previous period to their advantage. A lot has been done on that plan, by all legal means and the activity of the Association's board and the personnel of the Administrative and Professional Service.

## Two royalty payments made

In 2022, two royalty payments were made to members. We believe that this is a good practice from several previous years, although it is a legal and statutory obligation to pay benefits once a year.

The payment amount shows the trend of recovery from the negative impact of the COVID-19 pandemic, as well as the results of the quality work of the Administrative and Professional Service in building relations with users and the system of collective realization, supervision and collection of remunerations.

This is also the result of numerous lawsuits initiated by AMUS in the previous decade, some of which are only now, due to the inertness of judicial authorities, being adjudicated and charged.

## Royalty payments to foreign organizations continued

AMUS, as was the practice in previous years, continued to make regular payments to foreign collective organizations in the region. Unfortunately, in this report we note the fact that numerous foreign collective organizations are neither regular nor accurate in their payments like AMUS, and AMUS has so far paid significantly larger amounts to foreign collective organizations than those organizations have paid to AMUS, which is especially the case with collective organizations from the surrounding.

However, those foreign collective organizations themselves, as well through the Institute for Intellectual Property of BiH and other international organizations, exert great pressure on AMUS, and condition their own payment of remunerations to AMUS members with prior payment of remunerations by AMUS. In other words, they are waiting and blackmailing to pay our members what is owed only and only after AMUS makes the payment to them. This is completely against and contrary to CISAC rules as well as the provisions of our reciprocal agreements with those organizations.

Management Board will act before international organizations in this matter.

## **Recovery from the COVID-19 pandemic**

In the first quarter of 2022, as a result of the improvement of the epidemiological picture, the epidemiological measures to prevent the spread of the virus, ban on the gathering of people in public places and the ban on keeping a large number of people in closed spaces were finally withdrawn and ceased to be in force.

These measures made it impossible to hold concerts and communicate music to the public (live music), so many authors were deprived of a significant source of income from their musical works. Among other things, the consequence was a significant drop in income from concerts and public use of music throughout the world, including our country.

In the second half of 2022, an increasing number of small and medium-sized concerts was noted, of which the concert held on 2 October 2022 in Sarajevo, in Zetra, by the world-famous singer-songwriter Gordon Sumner, who performs under the pseudonym *Sting*, marked the year.

The use of live music has also been intensified in cafes and restaurants. A special effort has been made by AMUS to reach out again to users who use music in this way to continue paying remunerations to AMUS, with special activities towards users who have not concluded a contract, in order to legally and morally use music in this way.

Also, with funds from the Fund for Cultural and Social Purposes, which are provided by the Statute of AMUS to support the affirmation and presentation of new musical creativity and better social and health status of members, the Association has provided the necessary assistance.



## Ceremony held on the occasion of ten years of the license of AMUS

On 22 June 2022, a special ceremony was held in Sarajevo, at the House of the Armed Forces of Bosnia and Herzegovina, on the occasion of the tenth anniversary of the license acquisition by AMUS.

This ceremony is a kind of confirmation of the quality and seriousness of the activities of this association, with an emphasis on the successful fulfillment of the great obligation of all possible forms of affirmation of musical author's creativity and enabling author's activity, and the obligation that AMUS has accepted in protecting the special values and achievements of BiH society. Through the promotion and evaluation of the authors' works of AMUS members, the traditions and achievements of the people of our country and its exceptional individuals are inherited, both for current generations, ensuring compensation for their work and thus motivating them to continue creating, as well as for future generations. On the other hand, AMUS has a difficult and responsible obligation to collect remunerations and supervise the use of users' music in order to provide authors with a means of livelihood and further creation.

At the celebration of this important jubilee, it was noted that the creativity of AMUS members in the first ten years, as well as the hard work of the Administrative and Professional Service, but also of all bodies, members and the entire society, represent a roadmap for even more successful activities in the coming period.

On the occasion of the first decade of existence of AMUS, the Management Board made a decision to award a special jubilee award for exceptional contribution to the activities of the Association during that period to the first president of the AMUS Assembly, Edin Dervišalidović (Dino Merlin), who managed the Association with a clear vision and unwavering leadership for most of those ten years, and Mirza Hajrić, the former managing director of the Administrative and Professional Service of AMUS.



## Awarding of the AMUS Annual Awards for 2021

At the ceremony on the occasion of the decade of activity of AMUS, the AMUS annual awards for 2021 were awarded.

The award winners are:

- Mladen Janković ('Avdo Smajlović' – for author's creativity in area contemporary classical music),
- Fr Ivo Marković ("Fra Grgo Martić" – for promotion of music of the peoples in BiH),
- Amila Ramović ("Vlado Milošević" – for musical journalism and musicology),
- Alen Islamović and Zijo Rizvanbegović ("Indexi" – for rock and alternative music),
- Zlatko Sjerić ("Ismet Alajbegović Šerbo" – for author's creativity based on traditional music),
- Hamdija Salihbegović and Emir Bukovica ("Slobodan Bodo Kovačević" – for author's creativity in the field of instrumental music),
- Mejdī Sulejmani ("Dražēn Riči" - for the best young author),
- Mirza Gološ, Iva Čubela, Vehbija Hodžić and Sergej Vanjin ("Cvjetko Rihtman" – for the best student of music academies in BiH),
- Associate professor Haris Hasić and professor emeritus Rešad Arnautović ("Oskar Danon" – for the affirmation of the position of music authors and music copyrights in Bosnia and Herzegovina).

The Lifetime Achievement Award went to one of the most successful creators in the field of folk music – Ibrahim Ibro Mangafić.

## **Problems in the fulfillment of the obligations from the Agency Agreement by SOKOJ, in connection with the collective management of copyright according to DSPs and termination of the Agreement**

In the previous period of cooperation, AMUS concluded the agreement with the organization for collective musical copyrights of Serbia – SOKOJ. According to that agreement, SOKOJ undertook to act as an agent of AMUS in the collective management of copyright on digital platforms and towards DSPs (digital service providers). SOKOJ concluded such agreement with collective organizations from Montenegro and Macedonia, with the idea and proposal that collective organizations from the region join together and together enable and contract better conditions for their members than they could get individually, as well as to save money on the costs of this form of collective management of copyright, because this form of protection requires intensive expenditure of resources, as well as the time of specially trained officers in the Administrative and Professional Service.

Unfortunately, SOKOJ did not fulfil its obligations under this agreement or performed them poorly, and sporadically made payments of remunerations that were less than expected. Also, SOKOJ did not conclude new contracts with DSPs, although they assured the Administrative and Professional Service of AMUS for more than a year that these negotiations were nearing the end. It is particularly important that, although it was agreed that AMUS should be reported quarterly on the collection of remunerations and the realization of other obligations from the agreement, this was not respected. AMUS repeatedly asked SOKOJ to fulfil its obligations, which was not done. The Management Board, therefore, made a decision requesting the Administrative and Professional Service to investigate the possibilities of terminating the Agreement.

In 2023, the Agreement with SOKOJ was terminated and the Agreement was concluded with HDS ZAMP from Croatia, whose results in this field are extremely successful.

## **AMUS participates in the drafting of the Amendments to the Law on the Collective Management of Copyright and Related Rights and the Law on Copyright and Related Rights in Bosnia and Herzegovina**

As we informed the membership in the last year's report, AMUS participates in a three-year project to amend the law regulating the protection and realization of intellectual property in BiH, including copyright, funded by the European Union and administered by an international consortium.

Representatives of the Management Board, as well as Mirza Hajrić advisor to the Management Board, the Administrative and Professional Service and bodies, as well as the members of AMUS, participated in the process of writing amendments to the Law on the Collective Management of Copyright and Related Rights as well as the Law on Copyright and Related Rights.

The contribution of AMUS in this matter is especially appreciated, since as the largest collective organization with a decade of experience, the staff and members of AMUS are perhaps best acquainted with the numerous problems and shortcomings in the current legal rules governing the collective management and protection of authors' copyrights of musical works in our country.

The amendments will finally bring the legislation of BiH into line with the legal rules of the EU, and we believe that in this way it will be possible to reform both the Statute of AMUS, which has been blocked by the Institute and the Ministry of Justice of BiH, as well as the rules that made significant problems in the current work of AMUS, and where vagueness and omissions in those rules only benefit users who do not want to pay for their use of music.

## **Solving problems in relations with public service broadcasters in BiH**

In these reports on the work of the Management Board in previous years, the members of AMUS were informed in detail about the fact that the radio-television public service broadcasters of Bosnia and Herzegovina have either never paid since the beginning of the work of AMUS, or since 2015 they have not paid remunerations for the use of members' copyrights of musical works of AMUS. Despite the good will and best efforts of AMUS, long-term negotiations did not bear fruit and AMUS was forced to file lawsuits before the courts of Bosnia and Herzegovina.

In the first-instance courts, AMUS won judgments against all public service broadcasters. They submitted appeals. This process has been going on for many years and despite all the judgments, public service broadcasters persistently refuse to conclude contracts with AMUS and pay the relevant remunerations. Although the court proceedings are taking place at a very slow pace, we can hope for a certain and positive outcome for our members, and the reason that the negotiations with certain public service broadcasters have continued again is to avoid these problems in the future.

AMUS members have been waiting for many years for the day when public service broadcasters – an extension of the state and our society – will finally start respecting the laws of their state and will start paying for the music of our members that they have been using for years without rights and for free.

## **The Copyright Council has not yet started with work**

The Copyright Council is a body established by law that should help collective organizations and users regarding issues of tariffs and contracts. The Council acts and makes decisions in cases where the collective organization and the users could not agree on tariffs. Therefore, for what is in dispute, instead of the users just deciding not to pay the remuneration, justifying that something is not clear to them or according to the law, the Council would quickly and efficiently solve this and other problems. The law establishing the Council entered into force in 2010. But to this day, the Council exists only on paper, it has never started working and has never been effectively convened. For thirteen long years, AMUS and other collective organizations have been waiting for the Council to be appointed and to start working as a significant aid to the collective management of copyright. The Institute refuses to propose members to the Council of Ministers of Bosnia and Herzegovina, and they refuse to seek appointments.

Although it is difficult to predict and expect when and if this Council will ever come to life, the Management Board of AMUS will continue through the forms of its activities, to try and further actualize the appointment and the start of the work of the Council, because the absence of the formation and operation of that body is absolutely to the detriment and general loss of AMUS members.

## **Conclusion**

The year 2022 is another in a series of successful years of our Association. It is the year in which we celebrated a great jubilee.

It is the first year in a long series of years where AMUS was not in fear for its existence.

It was the year in which the ban on gatherings was lifted and where, slowly but surely, concerts and the sounds of live music began to return.

The year in which we held another successful session of the AMUS Assembly, which is our constant obligation.

We must keep in mind that all voices in AMUS should be heard equally and that all parties can actively participate, but that the collective interest can be ensured and realized only if we are united and determined to act for the benefit of the Association and all its authors.

AMUS has spent this year working hard and diligently recovering from the pandemic. AMUS is celebrating a great jubilee and becoming a true protector of musical creativity in our country, and the voice of authors both in BiH and abroad.

**REPORT**  
**OF THE SUPERVISORY BOARD**  
**for the period of 2022**

**Sarajevo**  
**April 2023**

## **REPORT OF THE SUPERVISORY BOARD for the period of 2022**

In the period of 2022, a total of 5 (five) sessions of the Supervisory Board were held at which the supervision and control of the Association's work were carried out.

### **1. CONTROL AND SUPERVISION OVER MANAGEMENT OPERATIONS**

The goal of control and supervision was to establish regularity in the adoption and implementation of the decisions of the Assembly and the Management Board related to business, financial and operational policy. In this regard, supervision and control were carried out over the implementation of **50 decisions** of the Management Board, which were adopted in the period of 2022.

***Opinion of the Supervisory Board:** Within the decision-making control framework of the Management Board related to the business, financial and operational policy of AMUS, the Supervisory Board determined that the aforementioned decisions were made in accordance with the normative acts and the foreseen adoption procedures.*

### **CONCLUSION**

After the conducted decision-making control procedure of the Management Board related to the business, financial and operational policy, the Supervisory Board stated that there were no irregularities in the procedure of making and implementing decisions made by the Management Board in this segment.

### **2. CONTROL AND SUPERVISION OVER FINANCIAL AND ACCOUNTING OPERATIONS**

- The supervision was carried out over the documentation that was delivered by the Administrative and Professional Service:
  1. Overview of expenses for 2022
  2. Permitted expenses for 2022
  3. Execution of expenses for the period of 01/01 – 31/12/2022
  4. Expense analytics for the period of 01/01 – 31/12/2021
  5. Analytical review of income for the period of 01/01 – 31/12/2022
  6. Planned and executed procurement procedures in 2022
  7. Salary recapitulation by month in the period of 01/01 – 31/12/2022
  8. Overview of payments under contracts in the period of 01/01 – 31/12/2022
  9. Overview of compensation of persons engaged in legal, supervisory and other boards and working bodies in the period of 01/01 – 31/12/2022
  10. Analytical review of collection and distribution of revenue

11. Analytical review of income and expenses
12. Analytical review of income
13. Financial data on the realised income of the organisation during the financial year classified by type of rights and manner of using copyright or matter of related rights (income from public communication, public performance, broadcasting, rebroadcasting, special remuneration, etc.)

***Opinion of the Supervisory Board:*** *Within the scope of control and supervision over the financial and accounting operations, the Supervisory Board established that the financial and accounting operations had been conducted in accordance with the normative acts and foreseen procedures.*

#### **CONCLUSION:**

After of insight in financial and accounting operations of AMUS, Supervisory Board stated that the financial and accounting operations had been conducted in accordance with the applicable laws, by-laws and internal acts, and that there were no observed irregularities in the performance of these operations.

### **3. CONTROL AND SUPERVISION OVER ADMINISTRATIVE OPERATIONS**

The Supervisory Board carried out regular controls and supervision over the administrative operations of internal acts and regulations.

***Opinion of the Supervisory Board:*** *Within the scope of control and supervision over the administrative operations, the Supervisory Board established that the administrative operations had been conducted in accordance with the normative acts and foreseen adoption procedures.*

#### **CONCLUSION**

After the control and supervision of the administrative operations, the Supervisory Board stated that no irregularities were observed in the work of AMUS in the period of 2022 in this segment.

Sarajevo, 27 April 2023

**President of the Supervisory Board  
Hamza Ražnatović**



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## ADDRESS BY THE MANAGING DIRECTOR OF THE AMUS ADMINISTRATIVE AND PROFESSIONAL SERVICE

Ten years of successful work of the Association of Composers – Musical Creators are behind us. In the first decade, ever since AMUS became a collective organization, we have grown rapidly year after year, despite huge external and internal problems and obstacles at times.

The success of the AMUS Administrative and Professional Service is the result of the work of a very small but agile team of employees and associates. That team is smaller than any collective organization in Europe. Working in very difficult conditions of (non)implementation of the Law on the Collective Management of Copyright and Related Rights, the Administrative and Professional Service achieves excellent results, higher than some older and numerically superior organizations in the region. When the annual income of the collective organization is divided by the number of employees of the Administrative and Professional Service, then AMUS achieves the highest result per employee.

Even during the COVID-19 pandemic, the Administrative and Professional Service overcame all previous challenges and difficulties, and emerged from them stronger than ever. The last few years have been particularly difficult due to the pandemic, both for the authors and for our Association, and we spent 2022 recovering and rebuilding.

The foundations are solidified, and we are actively and methodically building capacities that will ensure the further growth of the Association in order to realize its full potential in the foreseeable future.

In order to achieve this, we are already thinking about the needs of AMUS in the next ten years and about the further, stable future, and further development of the Association of Composers – Musical Creators.

Our problems were best exploited by those in whose highest interest it is that AMUS does not exist, causing irreversible damage to all of us.

As a result of the challenges of the past years, a certain number of users did not fulfill their obligations towards AMUS, while those who still have not concluded the contracts believe that they would go unpunished.

The focus of the Administrative and Professional Service is entirely on such users. We will invite such users to return by agreement and compensate their debts to the authors. If they refuse, we will request it from the courts and win the strictest penalties and sanctions.

At the same time, we will devote ourselves to concluding contracts with as many remaining users as possible. AMUS concluded contracts with a significant number of 'large' users in all categories, but many 'medium' and 'small' users still use music illegally. These users do not conclude contracts because competent inspections and judicial authorities do not do their job. For this reason, the Administrative and Professional Service will continue to cooperate in building the capacity of market inspectorates and prosecutors' offices in processing these types of users, while at the same time we will continue to reach out to these users with invitations to conclude contracts.

Every day, there are more and more judgments in favor of AMUS.

In the past year, AMUS managed to win the first court cases against all three radio-television public service broadcasters in Bosnia and Herzegovina. Despite this, some responsible persons in radio-television public service broadcasters refuse to sign regular contracts. AMUS has continued with lawsuits and we expect positive outcomes of these lawsuits as well.

The focus of the following years will also be on the fight for better and fairer tariffs. We are witnessing inflation and an inexorable increase in the prices of a large number of necessities, and this trend should also be felt in the tariffs for the use of music in public spaces. Tariffs for the use of music must be proportional to the tariffs in neighboring countries by law and must follow the real state and circumstances in the country and on the market. The Administrative and Professional Service will work on negotiations that should result in adjusted tariffs that will ensure adequate remuneration to authors for the use of their works as enjoyed by our colleagues elsewhere, including the neighboring countries.

We also expect a lot from the new laws on copyright and related rights. First of all, we are making efforts to ensure more efficient implementation of new legal solutions, which would lead to increased revenues of AMUS while reducing current costs.

Finally, the imperative of the Administrative and Professional Service is to prepare our Association for changes in the use of music caused by technological development. The Administrative and Professional Service works tirelessly on creating and increasing the capacity to exercise members' rights on digital platforms, as well as by using new technologies. Of course, AMUS has been realizing copyrights from digital platforms for years, but the capacity will increase significantly in the future, which should result in higher remuneration for authors on this basis.

If the first ten years after obtaining the license of the Institute for Intellectual Property of BiH was a struggle for the existence of AMUS and its presentation to the wider public, we expect to spend the next decade in further efforts to realize its full potential, so that our members and authors of music in BiH and the world have the greatest benefit and protection of their works. This is the only way AMUS will continue to grow and consolidate its place in the vault of large European collective organizations that our country and society deserve, which stand out in the world for our music, art and culture in general.

Dr. Lejla Trnčić,  
Managing director of the  
Administrative and Professional Service of AMUS

**Auditing, Accounting. Finance consulting**  
**Azize Šaćirbegović, Sarajevo**

## **INDEPENDENT AUDITOR'S REPORT**

**To the members of the AMUS Association**

We audited the financial statements of the **Association of Composers – Musical Creators (AMUS)**, which include the balance sheet as at 31 December 2022, the income statement, the statement of cash flows and the statement of changes in equity for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

### **1. Opinion on the financial statements of AMUS**

**In our opinion, the financial statements present fairly, in all material respects, the financial position of the AMUS Association as at 31 December 2022, the results of its operations, changes in equity and cash flows in the period from 01.01. to 31 December 2022, in accordance with the International Financial Reporting Standards for Small and Medium Entities (IFRS for SMEs).**

### **2. Opinion on the financial operations of AMUS**

**In our opinion, the financial operations of the AMUS Association during 2022 are, in all significant aspects, harmonized with the Law on the Collective Management of Copyright and Related Rights, the Acts of AMUS, and concluded contracts.**

### **3. Emphasis of Matter**

Without expressing a reserved opinion on the financial statements of the AMUS Association for the year ending on 31 December 2022, we draw attention to subsequent events from 2023, in connection with the repeated control of direct taxes carried out by the Tax Administration of the Federation of BiH, which are important for understanding of the financial position of the AMUS Association on the reference date.

By the Decision of the Federation of BIH Tax Administration no. 13-09-02-15-11-480/15 dated 03/06/2016, no. 13-09-02-15-11-480/15 dated 03/06/2016, an additional obligation of public revenues was determined in the total amount of BAM 383,353, of which BAM 312,032 related to the additional determined obligation of income tax, while BAM 71,321 related to calculated default interest. The decision of the FBiH Tax Administration referred to the controlled period of 01/01/2010 – 25/05/2015. By the decision of the Federal Ministry of Finance, no. 03-15-922/16 dated 10/09/2019, the first-instance Decision of the Tax Administration was confirmed.

**AMUS Sarajevo**  
**Audit of the financial statements for 2022**  
(all amounts are indicated in BAM, unless otherwise indicated)

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Dissatisfied with the outcome of the administrative procedure, the AMUS Association files a claim before the Cantonal Court in Sarajevo, in an administrative dispute against the Federal Ministry of Finance, opposing the Decision dated 10/09/2019. The Cantonal Court in Sarajevo, in the administrative dispute of the plaintiff of the AMUS Association against the defendant of the Federal Ministry of Finance, in order to refute the Decision no. 03-15-922/16 dated 09/10/2019, on 07.05.2022. issued the Judgment no. 09 0 U 035010 19 U, by which the claim of the AMUS Association is accepted, contested second-instance and first-instance Decision are annulled and the case is returned to the first-instance authority for repeated proceeding.

**After repeated inspection control in summary procedure, the FBIH Tax Administration on 21/02/2023 issued the Decision on additionally declared tax obligations, no. 13-9-02-12-20-1312-4/22 (for the same controlled period of 01/01/2010 – 25/05/2015), which determines the additional obligation of public revenues in the total amount of BAM 664,308, of which BAM 312,032 refers to the additional income tax obligation (identical to the original Decision of the TA), while BAM 352,276 refers to the calculated default interest (increased amount compared to the original TA Decision, due to longer deadlines for calculating default interest). Against the last Decision of the Tax Administration, the Appeal no. 0192-GD/23 dated 07/03/2023 was timely filed. (The Appeal stays the execution of the Decision, in accordance with the Law on the FBIH Tax Administration).**

Details on the control procedure for direct taxes and the revenue tax calculation model according to the approach of the Tax Administration in relation to the approach of the AMUS Association are elaborated in Note 9. – **Control of the FBIH Tax Administration (p. 29 of the audit report).**

#### **4. Other information**

The Management is responsible for the other information. Other information comprises information included in the annual report, but does not include the annual financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a significant material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **5. Responsibilities of the Management**

The Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS for SMEs and for those internal controls for which the management determines it is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**AMUS Sarajevo**  
**Audit of the financial statements for 2022**  
(all amounts are indicated in BAM, unless otherwise indicated)

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In preparing the financial statements, the Management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

**6. Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a higher level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise as a result of fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a significant uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.

**AMUS Sarajevo**  
**Audit of the financial statements for 2022**  
(all amounts are indicated in BAM, unless otherwise indicated)

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- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

The engaged authorized auditor responsible for this independent auditor's report is Enver Beganović, dipl. oec.

**RECONS d.o.o. Sarajevo**

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**Nedžad Grcić, Director**



**Certified Auditor**

/hand-written signature/

**Enver Beganović, Licence No. 3090032172**

Sarajevo, 5 May 2023



**AMUS**

**MANAGEMENT BOARD**

**Skenderpašina 1**

**No: UO-M-01/05/23**  
**11 May 2023**

**Pursuant to Article 25 of the Statute of the Association of Composers – Musical Creators, at the session held on 11 May 2023, the Management Board hereby adopts the following**

## **OPINION**

on the Report of the independent auditing company on the audit of the financial statements of AMUS for the period from 01 January 2022 to 31 December 2022.

Having analyzed the Report submitted by the independent auditing company Recons d.o.o. from Sarajevo, the members of the Management Board expressed their positive opinion about it.



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On behalf of the AMUS Management Board:  
vice-president, Elvir Švrakić





AMUS

SUPERVISORY BOARD

Skenderpašina 1

No: NO-M-01/05/23  
11 May 2023

Pursuant to Article 33 of the Statute of the Association of Composers – Musical Creators of Bosnia and Herzegovina, the Supervisory Board hereby adopts the following

## OPINION

on the Report of the independent auditing company on the audit of the financial statements of AMUS for the period from 01 January 2022 to 31 December 2022.

Having analyzed the Report submitted by the independent auditing company Recons d.o.o. from Sarajevo, the Supervisory Board expressed its positive opinion about it.



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Hamza Ražnatović  
President of the Supervisory Board

Association of Composers – Musical Creators (AMUS)  
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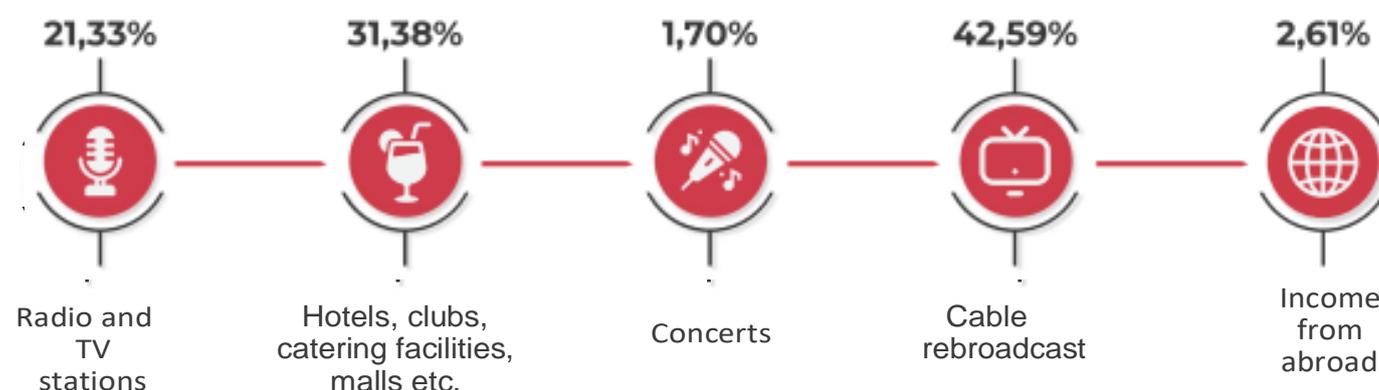
CISAC is the International  
Confederation of Societies  
of Authors and Composers

AMUS was admitted to  
membership under the  
registration number 273.

## Public communication rights

	TOTAL	ALLOCATION FOR COSTS AND THE PROMOTION FUND	ALLOCATION FOR COSTS AND THE PROMOTION FUND	ALLOCATION FOR CULTURE FUND	ALLOCATION FOR CULTURE FUND	POST-ALLOCATION TOTAL AMOUNTS	% F/A
Radio and TV	BAM 1.537,804	BAM 615.122	40%	BAM 46.134,10	5%	BAM 876.547,90	56.69%
Cable operators	BAM 3.070,528	BAM 736.927	24%	BAM 116.680,05	5%	BAM 2.216.920,95	72.19%
Concerts	BAM 123.218	BAM 30.927	25.10%	0	0	BAM 92.291,00	74.90%
Hotels, clubs, catering facilities, malls etc.	BAM 2.262,255	BAM 716.104	31.70%	BAM 77.307,55	5%	BAM 1.468.843,45	64.92%
Total public communication rights	BAM 6.993,805	BAM 2.099,080	30%	240.121,70	4.90%	BAM 4.654.603,30	66.55%
Income from abroad	BAM 188.204	BAM 45.303	24.10%	0	0	BAM 142.901,00	75.92%
Other income	BAM 26.531	0	0	0	0	BAM 26.531,00	100%
<b>Total</b>	<b>BAM 7.208.540</b>	<b>BAM 2.144.383</b>	<b>29.74%</b>	<b>BAM 240.121,70</b>	<b>4.74%</b>	<b>BAM 4.824.035,30</b>	<b>66.92%</b>

## Total income in 2022



Total income | **BAM 7.208.540,00**  
+20.10 growth compared to 2021

## Royalties from abroad

Top 5 global companies according to the amount of paid royalties for AMUS members in 2022:



## Addendum to the Transparency Report

To be paid in 2022 (II half of 2021 and I half of 2022) **BAM 3.821.493,00**

Paid in total **BAM 2.902,501,00**

Members' fees **BAM 2.535.338,00**

Payments to foreign companies **BAM 367,163.00**

Difference **BAM 918.992,00**

*Note: Difference will be used for the next year payments*

## Collection from foreign collective organizations in 2022

COMPANY	STATE	COLLECTION	SUSPENDED EXPENSES	TOTAL COLLECTION
AKM	Austria	BAM 13.00	BAM 1.30	BAM 13.00
BMI	USA	BAM 917.00	BAM 91.70	BAM 917.00
BUMA	The Netherlands	BAM 697.00	BAM 69.70	BAM 697.00
PAM	Montenegro	BAM 39.097,00	BAM 3.909,70	BAM 39.097,00
SAZAS	Slovenia	BAM 41.782,00	BAM 4.178,20	BAM 41.782,00
SOKOJ	Serbia	BAM 81.397,00	BAM 8.139,70	BAM 81.397,00
SUISA	Switzerland	BAM 16.864,00	BAM 1.680,40	BAM 16.864,00
ZAMP MK	Macedonia	BAM 3.651,00	BAM 365.10	BAM 3.651,00
MUSIC AUTOR	Bulgaria	BAM 3.256,00	BAM 325.60	BAM 3.256,00
<b>Total</b>		<b>BAM 187.674,00</b>	<b>BAM 18.767,40</b>	<b>BAM 187.474,00</b>

## Payment to foreign collective organizations in 2022

COMPANY	STATE	PAID AMOUNT	SUSPENDED EXPENSES	ALLOCATION FOR CULTURE FUND
BMI	USA	BAM 5.337,00	BAM 907,29	BAM 221,48
BUMA	The Netherlands	BAM 642,00	BAM 109,14	BAM 26,64
PAM CG	Montenegro	BAM 1.643,00	BAM 279,30	BAM 68,18
PRS	Great Britain	BAM 13.002,00	BAM 2.210,30	BAM 539,58
SAZAS	Slovenia	BAM 15.018,00	BAM 2.553,06	BAM 623,24
SOKOJ	Serbia	BAM 197.365,00	BAM 33.552,05	BAM 8.190,64
ZAMP MK	Macedonia	BAM 4,024,00	BAM 684,08	BAM 166,99
HDS ZAMP	Croatia	BAM 130.132,00	BAM 22.122,44	BAM 5.400,47
<b>Total</b>		<b>BAM 367.163,00</b>	<b>BAM 62.471,66</b>	<b>BAM 15.237,26</b>