

April 2022

Supplementary allocation GVA

Dear member,

Your pay-out as per 31/03/2022 may contain in your supporting document "Gutschrift zu Kontoauszug" the supplement items **ZPUE**, **ZBT/ZVV** and **UWI**:

ZPUE: These are **supplements** from the collections via the "**Zentralstelle für private Überspielungsrechte (ZPÜ)**" for private copying. Said collections were distributed as a supplement for the pay-outs for financial year 2020 in the categories below named (pursuant to Art. 25 of the distribution plan).

The rounded average percentual supplement per category amounts to:

FS, T FS	FS VR, TFS VR	MOD D	MOD D VR	MOD S	MOD S VR	PHO VR	R	R VR
7,13%	10,10%	313,23%	314,89%	12,17%	12,72%	77,09%	13,84%	29,33%

ZBT/ZVV: These are **supplements** from the collections via the „**Zentralstelle Bibliothekstantieme**“ (ZBT) and „**Zentralstelle für Videovermietung**“ (ZVV) for library and video-rental. Said collections were distributed as a supplement for the pay-outs for financial year 2020 in the categories below named (pursuant to Art. 22 and 23 of the distribution plan).

The rounded average percentual supplement per category amounts to:

BT VR	FS VR, TFS VR	PHO VR	R VR
7,34%	0,30%	1,98%	1,15%

UWI: These are **supplements** from the collections for usage in **Unterricht, Wissenschaft und Institutionen** (education, science and institution). Said collections were distributed as a supplement for the pay-outs for financial year 2020 in the categories below named (pursuant to Art. 24 of the distribution plan).

The rounded average percentual supplement per category amounts to:

MOD S	MOD S VR	VOD S	VOD S VR
0,55%	0,58%	0,46%	0,63%

Since the supplements were revenues from the assertion of statutory remuneration entitlements, the information provided in the Electronic Confirmation Process (ECP / EBV) as of 31/01/2022 were used as a basis for calculation purposes.

We are happy to assist you if you have any further queries. Telephone: +49 30 / 21245-600 (Monday – Thursday 9.00am to 5.00pm, Friday, 9.00am to 4.00pm)
E-mail: vra-service@gema.de

With kind regards
GEMA



Dear GEMA- member,

Your account statements may include entries that relate to the payout for statutory remuneration rights (GVA). Any such entries would be designated as follows:

- **ZPÜ supplement, ZBT/ZVV supplement, UWI supplement**

Background - what do the payouts for statutory remuneration rights include?

The amounts paid out by GEMA in this context are based on income for what is known as statutory remuneration rights which were collected by umbrella associations of the German collective management organisations and passed on to their associates or shareholders, such as GEMA. The German Copyright Act governs such rights in the form of a compensation for permitted interferences in copyright (lawfully permitted uses).

Depending on the respective remuneration rights in question, the GVA supplementary distribution may be based on different circumstances:

- **ZPÜ supplement:** The basis is the collection made by the “Central Organisation for Private Copying Rights (ZPÜ)” for private reproductions. A supplementary distribution is made for the categories FS, FS VR, TFS, TFS VR, R, R VR, MOD D, MOD D VR, MOD S, MOD S VR, PHO VR.
- **ZBT/ZVV supplement:** The basis are the collections made by the “Central Organisation for Public Lending Rights (ZBT)” for the lending through libraries or other institutions accessible to the public and the “Central Organisation for video rentals (ZVV)”. A supplementary distribution is made for the categories FS VR, TFS VR, R VR, BT VR, PHO VR.
- **UWI supplement:** The basis is the collection made by the “Central Organisation for Public Lending Rights (ZBT)” for lawfully permitted uses for teaching, science and institutions (UWI). A supplementary distribution is made for the categories MOD S, MOD S VR, VOD S, VOD S VR.

How are the payouts shown in your account statement?

Since the beginning of 2021, the display of accounting transactions in connection with the payouts for statutory remuneration rights in the account statements have changed. You can access information on supplements in connection with statutory remuneration rights, as usual, in the credit section of your account statement. Due to the so-called “SAWP” decision of the ECJ*, **the statutory remuneration rights, the “ZPÜ supplement” and the “ZBT/ZVV supplement” are no longer subject to value-added tax** so that the gross amounts here are the same as the net amounts. In the invoice section for your account statement, the cost deductions of GEMA are now explicitly shown next to the relevant VAT amounting to 19% and detailed for each individual item. Other than the credits, **the costs of the distributing collective management organisation**, in this case GEMA, will continue to be subject to the value-added tax. If you are a company in the sense of tax regulations, this new open declaration of the value-added tax enables you, where applicable, to carry out a “Vorsteuerabzug” (input tax deduction) and to claim back 19% “Vorsteuer” (input tax) from the tax office.

The cost deduction which GEMA carries out to cover its administrative costs when it makes the supplementary distribution of income from statutory remuneration rights, amounts to an overall rate of 17.5%. Regarding the categories of the communication to the public (AR categories), there is an additional deduction for social and cultural purposes after the deduction of administrative costs. That way, taking into consideration rounding differences, there is an overall effective deduction in the account statements of



around 19% for these categories. The actual cost rate set by the Supervisory Board and the Managing Committee remains unaffected by this.

Best regards,
Your GEMA

*The treatment under VAT aspects of the statutory remuneration rights was significantly changed due to the ECJ decision "SAWP" dated 18 Jan 2017 (C-37/16). Due to this decision, the statutory remuneration rights, among others arising from private copying levies since 1/1/2019 are no longer subject to the value-added tax, they are considered as non-taxable revenues. Only the costs of the distributing collective management organisation, in this case GEMA, will continue to be subject to the value-added tax. This kind of differentiated treatment requires a separate display of the remuneration rights and the costs in separate accounting items. Previously, costs and remunerations could be shown netted, but this is no longer possible.