

RULES OF DEDUCTION AND CALCULATION OF THE RIGHTS MANAGEMENT FEES

Rules of Deduction and Calculation of the Rights Management Fees (hereinafter referred to as the Rules) sets out the mechanism for providing deduction from the collected royalties and calculation of the property management fees belonging to the rightsholders by NNLP Collective Management Organization – Intellectual Property Owners Association (hereinafter referred to as the Association).

1. According to Section 1, Article 66¹ of the Law of Georgia on Copyright and Related Rights (hereinafter referred to as the Law), fees for management of the property rights shall amount to no more than 20 percent of annual royalties collected within the scopes of collective management of the property rights.
2. Property rights' management fees do not include the amounts payable to the funds established for the specific purposes.
3. Collected royalties include:
 - Amounts received on the basis of the license agreements with the users, for use of the objects of copyright and/or related rights, rights to which are collectively managed by the association;
 - Amounts transferred to the Association on the other grounds provided for by Georgian legislation from the persons having obligation to pay the royalties for the benefit of the holders of the copyright and related rights.
4. Association calculates the fees for rights management on the monthly basis, no later than 5th day of each month, in percentage specified in Section 1 of these Rules. Calculations shall be based on the amounts received on the Association's account during the previous calendar month.
5. Service management fees obtained as a result of calculations shall be transferred to the separate account of the Association (bank account), from where, the Association pays all expenses related to collective management of the property rights,
6. Upon deduction of the rights' management fees specified in Section 5 of these Rules, Association deducts taxes and other obligatory payments from the rightsholders' royalties, as related to the transfer of the rightsholders' royalties and other purposes provided for by the law.
7. Rights management fees, on a monthly basis, can provide for percentage other than specified in Section 1 of these Regulations, provided that the rights' management fees from the collected royalties for the year shall not exceed 20% of the annual royalties.
8. These Rules shall be applicable to the royalties collected by the Association.
9. Association shall periodically revise these Rules, for ensuring compliance with the principles of fairness and proportionality. On the basis of the above, the Association shall be entitled to make relevant changes to this document.