## General policy on deductions from rights revenue (including ‘cultural contributions’) and from any income arising from investments of rights revenues, as recommended by Koda’s Board for the General Assembly’s adoption on 16 June 2021

**1. General policy for deductions for administrative expenses**

Koda deducts an amount from the collected rights revenues to cover its reasonable and documented administrative costs.

The administrative costs must be proportionate to the revenues generated within the relevant individual income areas or specific events, which is why they might differ on the different areas. Koda will reflect this in different deductions for administrative costs on the different areas.

The principles of such differentiation and the annual deduction rates must be described in the Annual Transparency Report.

**2. General policy for deductions for cultural contributions**

According to Article 18(b) of Koda’s Articles of Association, Koda deducts an amount from the rights revenues collected to be used for cultural contributions. However, no such deductions for cultural contributions are made in revenues generated abroad, from mechanical rights or KulturPlus (blank media levies).

According to the same Article, the annual General Assembly must, also decide on the matters listed under items a-c below:

1. **The relative shares of the cultural contributions to be managed by Koda and by the Organisations, respectively**

The Board of Directors recommend that the shares of cultural contributions should be divided so that

28,8 per cent is managed by Koda and 71,2 per cent is managed equally between the four Organisations[[1]](#footnote-1).

Koda’s share includes a number of jointly managed pools and the shares generated on the Faroe Islands and in Greenland, which are set aside for use respectively on the Faroe Islands and in Greenland.

**b-c. The relative shares of cultural contributions to be used for grants or project support, and the shares to be used for cultural and music business political purposes.**

The Board of Directors recommend that the relative shares, in per cent, allocated to the individual purposes are set as follows:

At least 68 per cent of the cultural contributions shall be used for grants or project support.

Up to 17 per cent of the cultural contributions shall be used for cultural purposes, including cultural and business politics.

Up to 15 per cent of the cultural contributions can be used on the administration of said contributions

**3. General policy for deductions in any revenues generated from the investment of rights revenues**

As regards revenues generated from investments made using rights remuneration, deductions for cultural contributions are made. However, no deductions for administrative expenses are made.

Recommended for adoption by Koda’s General Assembly in Copenhagen, 16 June 2021, to take effect on the calendar year 2022.

1. As defined in Koda’s Articles of Association, article 7 (2). [↑](#footnote-ref-1)