



ANNUAL REPORT 2018-2019

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Address of the Managing Director

The year 2018, on which we are now reporting, was in many ways special for STEF. It was strongly characterised by our temporary housing at Ármúli 7 until November, as it had been necessary to move our operations temporarily from Laufásvegur while our facilities there were thoroughly refurbished. At this turning point, we decided to look to the future and make a requirements analysis, as well as a cost benefit analysis, of keeping the housing at Laufásvegur, on the one hand, and on the other, of selling it and renting a place for the operations. I was very happy with the decision made by the Board of STEF to continue our stay at Laufásvegur. The possibility of holding events and courses in the basement played an important part in that decision, as well as the fine backyard which has come into good use in the past for the STEF team and guests. We are proud to welcome people at Laufásvegur in our new and improved lodgings.

Fortunately, the financial status of STEF is solid, and we could afford these refurbishments. Thus, the repair did not have any effect on the distributions of STEF, and last year higher amounts were distributed to right holders than ever before. All schedules and cost estimates regarding the repairs were met, thanks to Verksýn, the company that supervised the project, and RH Constructors, the company that implemented the project following a tender process.

... One of the greatest challenges facing STEF today is the rapid technical development and increased demands of automation ...

Sigríður Guðjónsdóttir, receptionist and cashier, retired during the year. Sigga, as we call her, was for many years the face of the society; ever smiling and ready to serve. She has always been efficient, hardworking, and professional. I want to use the opportunity to thank Sigga dearly for her good work and all the good times we have shared with her.

One of the greatest challenges facing STEF today is the rapid technical development and increased demands of automation, swift distributions, increased flow of information, as well as a good user interface for the recording of works and concerts, to name but a few. STEF reacted to this during the year, by hiring for the first time a special project manager of software development. After approximately a half year, we have already started seeing results of his work. Within long, the members of STEF will also start seeing the various technical novelties concerning them, such as an improved website, and "My Sites" changed for the better.

The year 2018 was also characterised by the work regarding the amendments to STEF's Articles of Association. The amendments were required to fulfil the obligations of STEF according to the EU Directive on the collective administration of copyright. When this is written, there is a bill before Parliament on the adoption of this Directive. The amendments to the Articles of Association ended up, however, by becoming considerably more extensive than what can be related to this Directive. This work has taken a few years and the changes were finally approved at the continuation of the Annual General Meeting of STEF on October 15th in 2018. I wish to make special thanks to Aðalsteinn Ásberg Sigurðsson, the Chairman of the Representative Body of STEF, as well as Óttarr Proppé, Atli Ingólfsson, and Hafdís Huld Bjarnadóttir who attended several meetings regarding this issue and were both meticulous and patient in their work.

Reykjavík, 24 May 2019

With best wishes,



Guðrún Björk Bjarnadóttir

Solidarity is in the Best Interest of Everyone

Address of the Chairwoman of the Board of STEF

During the last operating year, quite a few changes were made on the internal operations of STEF. There was considerable renewal of the Board, in addition to which the undersigned took office as Chairman at the last General Meeting of the Representative Body. The new Board started the operating year by establishing its own procedural rules according to which we currently work. After years of groundwork, new Articles of Association were, furthermore, approved at the continuation of the Annual General Meeting of STEF in October. It is quite opportune to thank, yet again, all the members who took on a great deal of work in connection with implementing the new Articles of Association, as well as all the contracting parties. In the end, the issue was amicably resolved and the proposal, which was finally presented to the continuation of the General Meeting, was unanimously approved. A great deal of solidarity has been shown within the Board regarding most essential issues and an emphasis is placed on the common interests of musicians regarding copyright.

... It is quite opportune to thank, yet again, all the members who took on a great deal of work in connection with implementing the new Articles of Association ...

During the year, there was a considerable increase in domestic and foreign performing rights income, and the total amount distributed increased by 25% between years. This increase is largely due to an increase in the tariffs of STEF regarding background music, which came into effect last year and is now giving direct returns to the members.

Reykjavík, May 23 2019



Þórunn Gréta Sigurðardóttir

Preface

Following is the Annual Report of STEF which is presented quite differently this year and with the various additional information which the EU Directive, on the collective administration of copyright, expects to be published, and which is currently also dictated in STEF's Articles of Association. Thus, this is at the same time the first transparency report of STEF. The report includes the main projects and policies of STEF in the year 2018; key operating statistics, and a thorough summary of STEF's distributions. It also includes a summary of the organisational structure of STEF and information on those who STEF have nominated to the various committees and councils, as well as those who hold other confidentiality positions for the society.

Board Work from May 2018 to May 2019

Board Members of STEF in the past Operating Year:

Þórunn Gréta Sigurðardóttir, Chairwoman
 Bragi Valdimar Skúlason, Vice-Chairman
 Jakob Frímann Magnússon
 Hjálmar H. Ragnarsson
 Sigurður Flosason
 Páll Ragnar Pálsson
 Óttarr Ó. Proppé

- Board Alternates were Þuríður Jónsdóttir, Margrét Kristín Sigurðardóttir, Helgi Björnsson, Hildigunnur Rúnarsdóttir, Sóley Stefánsdóttir, Gunnar Andreas Kristinsson og Salka Sól Eyfeld.
- A total of 10 Board Meetings were held during the operating year, in addition to a special policymaking meeting which the Board held in Grímsnes on September 24th, 2018.
- During the year, KPMG made a polity report for STEF, simultaneous to which they made job descriptions for the office of STEF. Many of the suggestions made in the report were related to the Board not having established its own procedural rules. Thus, a committee was appointed to review the report and make proposals for the procedural rules of the Board, which were then approved by the Board.

Apart from the new procedural rules of the Board, the Board of STEF approved the following policy making rules during the operating year:

- Rules on the e-mail use of STEF's employees
- Equality policy of STEF's office
- Policy against bullying, sexual harassment, etc. for the office of STEF
- Procedure policy regarding the honorary awards of STEF
- Procedure policy regarding the Travel Fund of STEF
- Changes were made on the procedure policy of the Music Sheet Fund in order to support more diverse projects with special regard to arrangements.

The Representative Body of STEF

Elections for the Representative Body were not held in the last operating year, but the next elections will be held in the spring of 2020. The current members of the Representative Body are:

Aðalsteinn Ásberg Sigurðsson (Chariman)
 Björgvin Halldórsson
 Óttarr Proppé
 Páll Ragnar Pálsson
 Salka Sól Eyfeld
 Snorri Helgason
 Sigurður Rúnar Jónsson
 Bragi Valdimar Skúlason
 Jakob Frímánn Magnússon
 Sigurður Flosason
 Hafdís Huld Prastardóttir

Sóley Stefánsdóttir
 Gunnar Þórðarson
 Þórir Baldursson
 Þórunn Gréta Sigurðardóttir
 Atli Ingólfsson
 Gunnar Andreas Kristinsson
 Hafdís Bjarnadóttir
 Hildigunnur Rúnarsdóttir
 Hjálmar H. Ragnarsson
 Lárus Grímsson

The Annual General Meeting of the Representative Body was held on June 9th, 2018. The Representative Body also held a meeting on May 8th and on October 15th. The meetings were characterised by the discussions on the amendment drafts to STEF's Articles of Association. The major amendments are listed below.

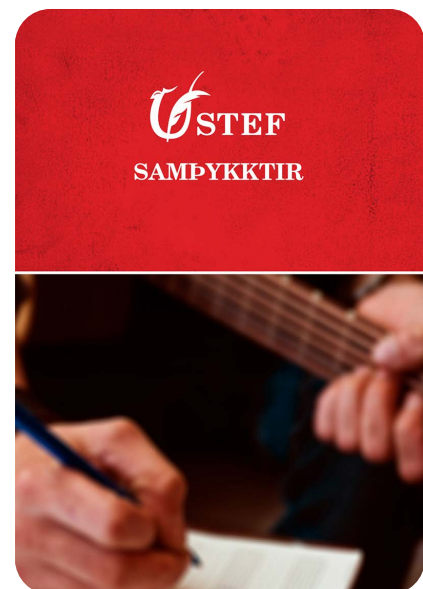
An open meeting was held for the members of STEF and other enthusiasts pursuant to the Annual General Meeting of STEF's Representative Body, where the Annual Report and Financial Statement of the Society were presented.

Following the amendments to STEF's Articles of Association, extensive amendments were made to the Membership Agreement of STEF which were specially introduced to the members.

Amendments to STEF's Articles of Association

After years of preparation, extensive amendments were approved to STEF's Articles of Association during the operating year. Following is a list, although not exhaustive, of the main amendments:

- The name of the society is changed to STEF (no longer an abbreviation).
- The purpose and tasks of STEF were rephrased and changed in accordance with the actual operation of the society.
- The role of member societies and their position within the organisational structure of STEF was clarified.
- The membership to STEF and what it involves was clarified.
- Amendments were made to Board election procedures. More Board members are currently elected by the Representative Board than before.
- Amendments were made to the election of the Chairman and Vice-Chairman of the Board. These members are now elected by the Board.
- A new article was created on the election board and its role.
- A new article was created on candidacy procedures for the Board elections, particularly regarding the information required for Board candidacy, in order to prevent conflict of interests.



- Clearer rules were established on convening Board meetings.
- A new article was created on the operational framework which the Representative Body is intended to establish for the Board.
- A new article was created on a transparency report which the Board shall make annually.
- Clearer rules were established on Board Alternates.
- A new article was created on potential conflict of interests regarding the Managing Director.
- Amendments were made to the appointment of the Representative Body to the effect that now, 19 of the 21 representatives are elected by the members of the society, and new provisions were made on the number of representatives within one of the two member societies, as well as the number of non-members.
- Clearer rules were established on the voting rights of right holders' heirs.
- Amendments were made to the minimum copyright fees received in order to have voting rights and eligibility, just as each right holder, who has a voting right, controls a minimum of three votes and a maximum of fifteen. This provision enables those who take part in the election to vote for more representatives than before.
- Those who so wish shall be enabled to cast their votes electronically.
- A new article was created on the minimum participation in meetings of the Representative Body for its decision-making competency.
- Clearer rules were established on the Chairman of the Representative Body.
- A new article was created on handling formal complaints regarding the Board of Directors and how such affairs can be relegated to the Representative Body.
- A new article was created on calling Alternates to the meetings of the Representative Body, where each representative is responsible for calling his or her Alternate. Should the Alternate be unable to attend the meeting, the representative has the authority to give another representative his or her power of attorney to attend the meetings in question.
- Clearer rules were established on the Culture Fund of STEF.
- A new article was created on the possibility of only assigning rights to STEF in specific rights categories.
- A new article was created on the possibility of resigning from the society.
- A new article was created enabling right holders themselves to grant permission for the use of their works for charity, based on specific conditions.
- A new article was created on how complaints made by members shall be handled, and on a complaints board which receives such complaints.
- A new article was created on maintaining an equal gender balance when appointing members of committees, councils and boards under the auspice of STEF.
- A new article was created regarding the responsibility of the Board for holding an open association meeting no less rarely than annually.

Externalities - STEF 's Comments to Parliament

- STEF filed a comment on the Parliament's bill to amend tax laws as regards the taxation of copyright fees. STEF heartily welcomed the fact that the said bill had been prepared by the Ministry of Finance and that it had been presented to Parliament, because it has been a matter of great importance to STEF for many years. When this is written the fate of the bill in Parliament is unknown.

This is a matter of justice for songwriters, whose positions are often very different when it comes to declaring expenses against the tax base when paying conventional income tax. If this bill becomes law, it will not least be of use to the songwriters who are starting their careers and are e.g. not running a recording studio and, thus, have limited possibilities of declaring expenses against copyright fees. It is particularly unnatural that the heirs of right holders need to pay income tax of the copyright they have

inherited, while the heirs of the various other resources pay capital income tax of the profits obtained from these resources.

It is right to point out in this context that this issue can have a very great and positive impact on the competitive position of STEF against copyright organisations abroad. Should the bill proceed, this legislation could become one of the determinants when Icelandic songwriters decide where their foreign copyright fees will go and, thus, have a positive influence on the cashflow to STEF and, thereby, to Iceland in general.

- STEF filed a comment on the Parliament's bill on the collective administration of copyright. At earlier stages of the bill's preparation, STEF had expressed the opinion that this legislation is both inflexible and expensive for Icelandic copyright organisations which administer copyright, and which are, invariably, considered very small according to international measures.

With the regulatory environment which it specifies, the benefit of the bill will, however, hopefully involve an increased confidence in the organisations which administer copyright. The emphasis which the bill places on democracy in decision making and transparency in the operations of such organisations was specially embraced.

STEF has already made extensive amendments to its Articles of Association in order to fulfil the requirements of the bill and is, thereby, the first Icelandic society to fulfil the Directive upon which the bill is based.

STEF, however, made a special mention that the wording of the bill is generally very inaccessible and even incomprehensible and not in accordance with the language which is generally used in this field. This greatly inhibits the understanding of those who shall deal with this law and can prevent the law from reaching its goal.

- STEF filed a collective comment with other collective management organisations on the Parliament's bill, regarding amendments to laws on e-business (electronic business), which protested the amendments to the current provisions regarding the obligations of the hosting provider to remove material at the request of right holders, according to specific procedures.
- STEF filed a comment on the Parliament's bill regarding amendments to copyright laws relating to automatic data analysis, where it was protested that Icelandic law would step further in allowing such data analysis of copyright-protected material than the equivalent revised EU legislation stipulates.

Main Projects of the Operating Year

Software Issues and Development

During the year 2018, STEF recruited, for the first time, a special project manager of software development, Hilmar Kári Hallbjörnsson, who holds a half-time position. The projects relating to software development, and on which STEF has focused during the year, are based on a requirements analysis which STEF underwent and the major projects, thus far in the operating year, have been the following:

- Upgrade of the database system of STEF
- Transfer of the home page to another web content management system
- More automatic registration of works in the ICE-database
- Application to Technology Development Fund regarding Block Chain.



The HR-team presents their project on May 21st 2019

A special mention can be made of the work done by computer science students at Reykjavik University, under the guidance of Hilmar, on the upgrade of STEF's database system which was their final BS project. The project involved the transfer of STEF's database system from MSSQL 2008 to MSSQL 2016, in addition to developing a new user interface. The new database is web based, which means that it will be accessible everywhere, not only in special computers as before. It is also worth mentioning that the group received a regular top grade for the project: 9,5. Two members of the Reykjavik University group will be working for STEF this summer. They will continue the project which involves the various changes and additions to the new system, as the old one had started to suffer considerably, and it was impossible to develop it further.

STEF back at Laufásvegur

The construction projects at our Laufásvegur housing started in the autumn of 2017. The beginning can be traced to moisture in the exterior walls and condition inspection revealed that there was considerable mildew in the building. The main reason was that the window casings, although originally of good quality, had clearly become too old. In addition, it appeared that the drains had not been installed properly. This situation was obviously not acceptable and, thus, improvements were started; windows and mullions were renewed, roof edges and balconies were rebuilt with concrete, gutters were renewed, and various other repairs were made at the same time. The option was weighed to sell the house and find a new, permanent housing, but after some consideration, the Board decided to keep the housing at Laufásvegur. Repairs and refurbishments were completed in October 2018 and in November the operations of STEF were moved back to Laufásvegur 40, after having been in Ármúli for just over a year. The relocation went swiftly and successfully, and the staff is very pleased with the organisational changes which have been made indoors. The Board of STEF and the staff are looking forward to receiving the members in the improved housing which has, however, not lost any of the good atmosphere that has always prevailed in the building.





New Midsummer Distribution

Distributions have been gradually increasing during the years and it is, indeed, the policy of STEF to deliver money to right holders as quickly as possible. In the previous years, we have distributed 11 times a year; twice for concerts, four times for the sale of records on the internet, four times for performance abroad, and, finally, the so-called main distribution in December. The principle is that the main distribution shall involve domestic public performance and relate to the performance of music during the

previous year which means that quite some time can pass between the performance and the distribution.

Some time has passed since STEF set the goal to increase service to right holders and add to the distribution for domestic public performance which would, as a rule, be paid in the middle of the year. The initial time that this new distribution took place, which has been given the name *Main Distribution – Former Part*, was last summer and the payments were made at the beginning of July. It will become a fixed part of the distribution process of STEF in the future. The December distribution will in future be called *Main Distribution – Latter Part*, and will also include a part of the public performance, in addition to the TV part and other traditional distribution items, such as background music, première premium, etc.

The Langspil – Award of STEF

The Langspil of STEF was ceremoniously awarded to **Júníus Meyvant** (Unnar Gísli Sigurmundsson) on Thursday, May 2nd, 2019. The event received good coverage in the *Morgunblaðið* newspaper. This award is given to an author who is considered to have excelled and received a noticeable success during the previous year, according to the Board of STEF. The trophy itself is custom-built by the excellent artisan, Jón Sigurðsson at Þingeyri. This is the fifth time that *The Langspil* is awarded and the former recipients are Ólafur Arnalds, Ásgeir Trausti, Barði Jóhannsson, and Hildur Guðnadóttir. The works of Júníus have been described in the following way: “The music is self-contained and soulful folk-pop music which is simultaneously timeless and familiar. His soft-spoken arrangements sometimes give the feeling of snuggling under a warm blanket in front of a cosy fire in a cabin up in the mountains or lying on a warm beach in southern parts of the world.” (Quote from the web Ísmús). Júníus received *The Icelandic Music Awards* for pop music in the year 2017 for the record *Floating Hormones*, with the comment that he had come as a fresh breath of air onto the Icelandic music scene with outstanding song writing which had been played much and had a lot of circulation. He was nominated for a total of five awards that year and when Júníus first appeared on the scene in the year 2014, he received the same award for the song of the year and was also nominated the brightest hope.





Honorary Award of STEF

Magnús Þór Sigmundsson, who celebrated his 70th birthday last autumn, received the honorary award of STEF at a grand birthday concert which took place in Háskólabíó on November 15th, 2018. In the past decades, Magnús has been one of the most successful and prolific authors in the country. At the same event, he received the honorary awards of ISAC - The Icelandic Society of Authors & Composers. Thus, it is safe to say that upon leaving the stage, Magnús had been both well honored and decorated.

Authors' Major Victory over Tech Giants

STEF made its contribution to the battle that authors in Europe have been fighting during the past semesters, relating to the request that the new EU Directive on copyright include a provision stating that service providers on the internet, who distribute material protected by copyright, shall be obliged to negotiate with the authors regarding its use. Some have said that in the previous years, the tech giants have succeeded in walking over the rights of authors, and that now it is opportune to set things straight. Tens of thousands of signatures were collected in support of the cause and many authors in Iceland were most certainly willing and eager to make their contribution to this process.

Some have maintained that the demands of authors entail censorship and that the pending legislation will influence so-called memes, or footage GIFs. It is completely wrong, because the Directive will not have any such impact. The only demand that is being made is that the service providers pay a fair price for the use of material. In this connection, it is also worth keeping in mind that music services, which are based on subscriptions, are in a very unfair competition with the services that do not demand payment for their material (e.g. YouTube) and have hidden behind the provision of the EU Directive on the “irresponsibility of the middleman”. It was however always supposed to apply to telecommunications companies instead of service providers which have the purpose to distribute copyright protected material.

Without further ado, the EU Parliament decided to include these provisions in the Directive on September 12th, 2018. It is certainly a major victory for authors in Europe, but it is believed to have more extensive impact in future. It is safe to congratulate the authors on this milestone.



The Icelandic Music Awards

STEF participates in presenting *The Icelandic Music Awards*, in collaboration with SFH – the Association of Performers and Record Producers, in the name of Samtónn. The awards were ceremoniously presented in Harpa on March 13th, 2019. GDRN, *Víkingur Heiðar*, *Auður*, *Karl Olgeirsson*, *Valdimar*, *Jónas Sig*, and *JóiPé and Króli*, received most of the awards. The Recipient of the honorary award of IMA was *Jón Ásgeirsson*.



The Day of Icelandic Music



The Day of Icelandic Music was held on December 6th. Margeir Steinar Ingólfsson (DJ Margeir) handled the project of the day very successfully with his Hugsmiðja-team. As is customary, three songs were performed live on a number of radio stations, the songs *Vikivaki* by Valgeir Guðjónsson, *Hossa hossa* (Amabadama) by Magnús Jónsson, Salka Sól Eyfeld, and Steinunn Jónsdóttir, and *BOBA* (Jói P & Króli) by Þormóður Eiríksson, Kristinn Óli Haraldsson, Jóhannes Patreksson, and Starri Snær Valdimarsson. On this occasion, Samtónn presented a few awards: *The Innovation Award* to the radio station Útvarp 101, whose policy is

to have half of the material broadcast by women, and furthermore half of the material Icelandic. Þorkell Máni at the radio station X-ið received *The Incentive Award*, and the TV program the *Week with Gísli Marteinn* at RÚV received the award *Glugginn*. Finally, the radio host **Pétur Grétarsson** received the honorary award of Samtónn for his long standing, sophisticated and weighty coverage on Icelandic music on radio.

Victory at Supreme Court – Illegitimate Distribution

On October 18th, 2018, a verdict was rendered in two cases of STEF against Símafélagið (telephone company) on the one hand, and Hringiðjan (internet service), on the other. STEF won both cases and each party had to pay ISK 1,5 million in legal costs. Thereby, an injunction session is finally over against the telecommunication companies regarding the websites Pirate Bay and Deildu.net. It is however clear that the collective management organisations that participated in the legal proceedings are more than willing to pursue the precedent and wish for the shutdown of illegitimate sites of the telecommunication companies.

This sentence marks the first conclusive verdict of the Supreme Court on the obligation of the telecommunication companies to close access to illegal web sites, regarding copyright breaches. It also acknowledges that such closing is neither considered a breach of freedom of work, nor of the constitutional freedom of expression.

The Various Events

Course - Choral Arrangements

STEF, Iceland Music Information Centre, and the Icelandic Composers Society held a course in choral arrangements in the autumn of 2018. The composers, the “choir nerds”, and the musicians, Hildigunnur Rúnarsdóttir, and Gunnar Ben, instructed those present in making choral arrangements of their favourite songs. The various types of choirs were embraced, as well as music genres, vocal ranges, how to make music score arrangements, and what to prevent.

Workshops with Music Consultants

On November 7th, 2018 STEF held two workshops with foreign music supervisors, in collaboration with Iceland Music Export. These workshops have been held annually in conjunction with Icelandic Airwaves and been very popular. They enable songwriters to make personal acquaintances with international music supervisors who work at getting music featured in TV shows and films. This is an invaluable opportunity for authors to get in contact with people and let them listen to pieces of their music. Usually, fewer than want to get to attend these workshops and they will certainly be continued in the autumn. Smaller workshops were held on November 8th with a few authors who performed at Iceland Airwaves and whom the music supervisors particularly wished to get to know better.

Smash Hit-Making

On January 10th, 2019 STEF and Iceland Music Export held a workshop in pop song-making. The instructors were Jón Jónsson and Hildur (Kristín Stefánsdóttir) who have, in a relatively short time, both become successful songwriters. At the workshop they covered the main issues regarding pop song-making and lyrics, as well as assisting the participants in developing their own ideas. Young and promising authors had priority above more experienced authors. The workshop was very well attended, indeed so well that it will probably be continued. The workshop was then repeated in Akureyri on March 1st in collaboration with Akureyri Music School.



Course on Music Publishers

On February 16 – 17, 2019, Iceland Music Export and STEF held a course on music publishers. Basic issues were covered regarding such publishers, who are very useful to know, both for musicians, authors, as well as managers. The role of music publishers was discussed and the service they are supposed to give, also their part in licence and sync agreements. Agreements with music publishers were investigated and discussions made on what should be avoided in such matters. Co-writing was also discussed, and what musicians should look for when they are choosing music publishers, e.g. what the difference is between being with a big publisher, who is often connected with a specific publishing company, or an independent publisher. The lecturers were Monica Ekmark (Föreningen Svenska tonsättare), Kerstin Mangert (Arctic Rights Management), Pam Lewis-Rudden (Plutonic Group), Colm O’Herlihy (Bedroom Community), Guðrún Björk Bjarnason (Managing Director of STEF), María Rut Reynisdóttir (Reykjavík Music City), Atli Örvarsson (film score composer), and the musicians Sóley Stefánsdóttir and Ben Frost.

Qualified for Exportation?

On March 1st, 2019, STEF and Iceland Music Export held a collective meeting in Akureyri with musicians in the north of Iceland. The meeting was entitled “What do you need to have to be qualified for exportation?” Answers were sought to the way in which Iceland Music Export can be of assistance when people are considering exportation. The cash flow from music services on the internet was also covered and how STEF can help authors maximise their income in that field.

Making Song Lyrics in English – Workshop

On March 28th, 2019, STEF held a workshop on making song lyrics in English, with Jelena Ciric and Shawn Clarke. Having song lyrics in English can be crucial when breaking music into foreign markets. Although Icelanders normally speak English quite well, it can be more complicated to write good song lyrics in a language that is not your own. Jelena and Shawn covered many of the things that can stand in the way of Icelandic songwriters when they are writing song lyrics in English. The course was considered very successful.

Related Associations, Committees and Councils

- STEF is a member of IHM (the Right Holders' Collecting Society) which is an interest organisation of 11 collective management organisations handling collection and distribution of fees regarding private copying, as well as fees for TV broadcasting. Members of the Board of IHM are, on behalf of STEF, Guðrún Björk Bjarnadóttir and Jakob Frímann Magnússon, and Þórunn Gréta Sigurðardóttir, as a member of the Representative Board of IHM.
- STEF is a member of Fjölís (the International Federation of Reproduction Rights Organisations), which is an interest organisation of seven collective management organisations representing right holders of works enjoying copyright protection and which are used by photocopying, scanning, electronic copying, or other comparable copying. Páll Ragnar Pálsson is a member of the Board of Fjölís on behalf of STEF. Guðrún Björk Bjarnadóttir is a member of the Representative Body of Fjölís.
- STEF is a member of ÚTÓN (Iceland Music Export) which operates the export centre of Icelandic music. Páll Ragnar Pálsson is a member of the Board of ÚTÓN on behalf of STEF.
- STEF is a member of Samtónn (the Icelandic Music Association) which is a co-operating forum for STEF and SFH (the Society of Performers and Record Producers). The major projects of Samtónn are holding *The Icelandic Music Awards* and *The Day of Icelandic Music*. The representatives of STEF in the Board of Samtónn were Guðrún Björk Bjarnadóttir and Þórunn Gréta Sigurðardóttir, in addition to Jakob Frímann Magnússon. Samtónn appoints a special board for *The Icelandic Music Awards*. Members of the Board are Margrét Eir Hjartaradóttir, Jóhann Ágúst Jóhannsson, and Kristján Freyr Halldórsson. Kristján is appointed to this board on behalf of STEF.
- Members of the Recording Fund of STEF are Aðalsteinn Ásberg Sigurðsson, Oliver Kentish, Ragnheiður Gröndal, and Arnar Freyr Frostason.
- Members of the Music Sheet Fund of STEF are Tryggvi M. Baldvinsson, Gunnar Þórðarson, Hafdís Bjarnadóttir, and Ólafur Arnalds. In the last operating year, Úlfar Ingi Haraldsson and Hildigunnur Rúnarsdóttir were called in as alternates.
- Members of the Travel Fund of STEF are Lárus Grímsson and Rósa Birgitta Ísfeld.
- Members of the *Composers' Fund of RÚV and STEF* were, on behalf of STEF, Veigar Margeirsson and Ríkharður H. Friðriksson. The Manager of RÚV is also a member.
- Members of the *Composers' Fund of Bylgjan and Stöð 2* on behalf of STEF are Bragi Valdimar Skúlason and Þórunn Gréta Sigurðardóttir. The Manager of Sýn is also a member.
- Members of the Musical Education Fund of the Church on behalf of STEF are Hildigunnur Rúnarsdóttir and Gunnar Andreas Kristinsson is her Alternate.
- Members of Loftbrú, a collaborative project of STEF, the City of Reykjavík, and others, is Jakob Frímann Magnússon.
- Member of the Copyright Council on behalf of STEF is Karólína Eiríksdóttir.
- Members of the Icelandic Selection Committee for *The Nordic Film Composer Award* are Pétur Jónsson, Hilmar Oddsson, Margrét Örnólfsdóttir, Hilmar Örn Hilmarsson, and Guðrún Björk Bjarnadóttir. STEF handles the administration of these awards on behalf of Iceland.
- The assessors of STEF are Hallur Ingólfsson and Ingi Garðar Erlendsson.
- Members of the Distribution Committee during the operating year were Guðrún Björk Bjarnadóttir, Stefán Hilmarsson, Einar Hafliði Einarsson, accountant, and Gísli Krisjánsson.
- There are three subcommittees regarding the distributions and members of them were:
 - The Evergreen Committee: Aðalsteinn Ásberg Sigurðsson, Árni Harðarson, and Lára Rúnarsdóttir.
 - The DMB-Committee (dance, celebrations, background music): Hreimur Örn Heimisson, Stefanía Svavarsdóttir, and Sveinbjörn Pálsson.
 - Committee on ecclesiastical ceremonies: Óskar Einarsson, Regína Ósk Óskarsdóttir, and Þórir Úlfarsson.

Cultural Fund

STEF supports domestic cultural activities in the various ways through the Cultural Fund of STEF. It is, however, not possible to apply for grants in this fund, but it supports set projects according to decisions made by the Board of STEF each time. In accordance with STEF 's Articles of Association, the funds which the society collects shall primarily be spent on public fees and then on all operational costs. Up to 10% of the domestic income which remains shall be paid to STEF 's Cultural Fund, according to a more extensive decision of the Annual General Meeting of the Representative Board of the society. The decision of the Annual General Meeting of the Representative Body authorises an annual distribution from that fund to operations of STEF 's member societies. The societies shall have an equal right to distributions, as the funds are indeed spent on comparable activities. All disposal of fees from the Cultural Fund shall be transparent and specified in the Financial Statement of the society. The member societies shall make special statements on the disposals of their distribution fees.

Contributions to the Cultural Fund amounted to ISK 35 million in the year 2018 and the amount remained the same between years. Distributions from the cultural contribution amounted to ISK 19.961.684 to the The Icelandic Society of Authors & Composers (ISAC) and the Icelandic Composers Society (ICS). Their report on the disposal of the contribution can be found below. The use of fees from the Cultural Fund is specified in the Financial Statement and is as follows:

Cultural Fund:	2018	2017
Ballance at the beginning of the year.....	429.873	754.721
Contribution of STEF.....	35.000.000	35.000.000
For distribution:	35.429.873	35.754.721
Contribution to ICS (aka TÍ).....	7.782.908	8.587.356
Contribution to ISAC (aka FTT).....	7.782.908	8.587.356
Special contribution to ICS (housing repairs).....	2.197.934	0
Special contribution to ISAC (housing repairs).....	2.197.934	0
Contribution regarding Samtónn.....	700.000	659.439
Contribution regarding the Icelandic Music Awards....	3.533.626	3.901.554
Contribution regarding Reykjavík Loftbrú.....	0	1.500.000
Contribution regarding ÚTÓN.....	2.200.000	2.133.490
Contribution to Recording Fund.....	4.000.000	4.000.000
Grants of the Board.....	1.000.000	2.700.000
Other contributions and cost participation.....	622.937	2.861.730
„Cultural Night“, concerts.....	0	393.923
Distributed during the year:	32.018.247	35.324.848
Financials at the end of year:	3.411.626	429.873

Disposal of STEF's Cultural Contribution on Behalf of the Member Societies:

Report from The Icelandic Society of Authors & Composers (ISAC, aka FTT)

STEF's cultural contribution 2018:	7.358.004	Expenses:	
		Wages and related expenses	5.426.001
		Operation of common cost	724.904
		Telephone and music services	104.325
		Maintenance: Tools & equipment	39.500
		Paper, printing and stationery	23.065
		Computer system	240.011
		Advertisements	298.589
		Audit & bookkeeping	441.068
		Membership fees, annual fees	183.020
		Entertainment, gifts	54.500
		Travel expenses & allowance	461.141
		Expenses regarding events	1.249.960
		Total:	9.246.084

Report from The Icelandic Composers Society (ICS, aka TÍ)

STEF's cultural contribution to the Icelandic Composers Society is, for the most part, disposed to daily operations of TÍ, e.g. expenses for housing a website, expenses for bookkeeping and making financial statements, general office expenses, expenses for international collaboration, expenses for having a Board and paying directors' fees to the Chairman. All that is left, and all the contributions from STEF, in addition to the monthly current transfer, goes to the operation of the music festival, *Dark Music Days*. It should also be mentioned that the Chairman's director work consists, to a great extent, of work effort relating to *Dark Music Days*. Every five years, there is additional festival work, as that is when the *Nordic Music Days* are held here in Iceland. The Icelandic Composers Society is responsible for their operation and finances the festival completely. In the year 2016, the *Nordic Music Days* were held in Iceland which made the operations of the Icelandic Composers Society considerably more difficult, because STEF's cultural contribution is the only regular influx of cash to the society. There was considerable operating loss from the festival, but the society is successfully working its way out of it. Financing for the *Nordic Music Days* in 2021 has already started.

On *Dark Music Days*

The *Dark Music Days* festival is one of the most important arenas for progressive modern music in Iceland. The festival has long ago made a place of honour for itself in the Icelandic music scene and raises interest far beyond the country's borders. The role of the festival is to create a platform for the presentation and performance of contemporary music, with an emphasis on new Icelandic music and performers, in conjunction with foreign works and performers. There are several different music events on offer every year which reflect the variety of music in our present time. An emphasis is placed on original creation and experimentation and

first performances of compositions are prominent on the agenda. For 39 years, the festival has shed light onto the cultural life of Icelanders during the times of the greatest winter darkness.

Porkell Sigurbjörnsson and Atli Heimir Sveinsson established the festival in 1980 in the name of The Icelandic Composers Society which has held the festival right from the beginning. The objective of *Dark Music Days* was to cultivate Icelandic music, première new Icelandic works, in addition to performing foreign contemporary music which was considered of importance. The festival has taken on the various forms throughout the years, but parallel to a diverse concert schedule, the various music related events have been on offer, such as an exhibition of the manuscripts of composers, lectures on composers and contemporary music, etc. New compositions have also been made-to-order by composers and cooperation on concerts with societies and establishments taken up. The agenda and ensemble of the festival has developed in diverse ways, although it is still based on the foundation which was laid in the year 1980 and special traditions have been formed.

The Festival Today

The festival is held at the end of January every year and normally starts on the last Thursday in the month. The objective of holding a festival in January is to develop an agenda of events when there is not much going on in the cultural life of the country. As mentioned before, the festival places an emphasis on being an arena for original creation and experimentation. Therefore, the première of progressive music carries the greatest weight on the agenda every year. Repeat performances of younger Icelandic and foreign works have also been prominent.

The various experiments have been made to bring about a more active conversation with the audience in the form of instruction and presentation of contemporary music, e.g. with the exhibition of manuscripts, mentioned above, but also with lectures, panel discussions, pre-concert talks, and in the last years, in the form of direct, information related events. A special mention can be made of a concert series for children in addition to information related events for children which have been fixed parts of the festival programme for years.

Events that do not fall within the traditional concert frame frequently have their place at the festival, e.g. installations in open spaces where everyone can walk in and out and enjoy in their own way.

The role of *Dark Music Days* in presenting Icelandic music is unequivocal. Every year, representatives of foreign media attend the festival, in addition to publishers and artistic managers, orchestras, bands, and chamber music groups. Thus, it also provides an arena for international networking, which is very important for Icelandic musicians, both composers and performers. Iceland Music Information Centre, Iceland Music Export, and Promote Iceland have given considerable support to this part of the festival. The Iceland Academy of the Arts – IAA, has also regularly taken part in this international collaboration, and foreign composers, who visit the IAA as guest professors at this time of year, have also been invited to the festival and, in return, the foreign guests of the festival have visited the IAA and given lectures, or held work-shops there. This has led to coverage in several well-known foreign media such as *The Guardian*, and *Neue Zeitschrift für Musik*.

The Icelandic media, which have covered the festival every year, should not be forgotten. *Morgunblaðið* and *Fréttablaðið* have published interviews, criticism, and general coverage. News announcements and articles are usually published in *Grapevine* and other media. The biggest part is, undeniably, that of the State Radio which has been in cooperation with the festival right from the beginning and selected concerts from the agenda to record and broadcast on Channel 1, along with coverage. *Hátalarinn* – the *Loudspeaker*, *Menningin/Kastljós* – and other scheduled programs, emphasising cultural coverage, have also reported on the festival, in addition to the occasional visits that the newsroom has made. The orders of compositions at the festival have often been financed by the State Radio Composers' Fund.

The Symphony Orchestra has been a steady colleague ever since the beginning and has held two concerts at the festival since the year 2017. The artistic director of Dark Music Days is Gunnar Karel Másson who was recruited in the year 2016.

International Collaboration

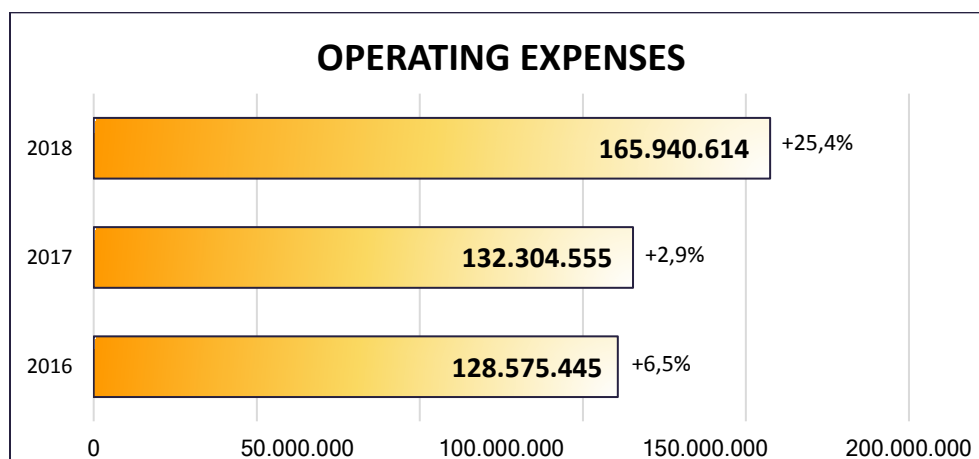
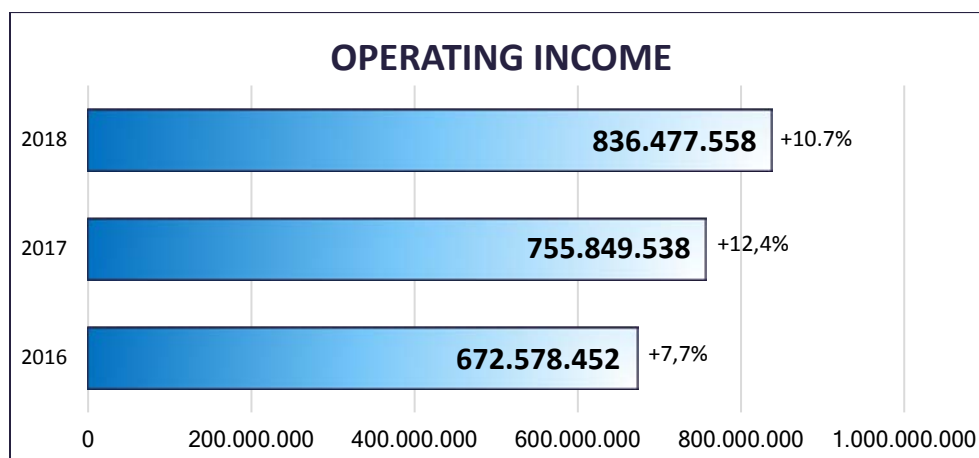
The Icelandic Composers Society is a member of the Nordic Composers Council (NCC) which holds the *Nordic Music Days festival*. The festival is alternately held in the member countries that were five right until the year 2016 when the Faroese Composers Society became an independent member of the council. As a rule, NCC holds five meetings a year, once in connection with the *Nordic Music Days* and three times apart from that. NCC has been a very important supporter of the Icelandic Composers Society in the various instances and the membership of the society is, thus, of great importance.

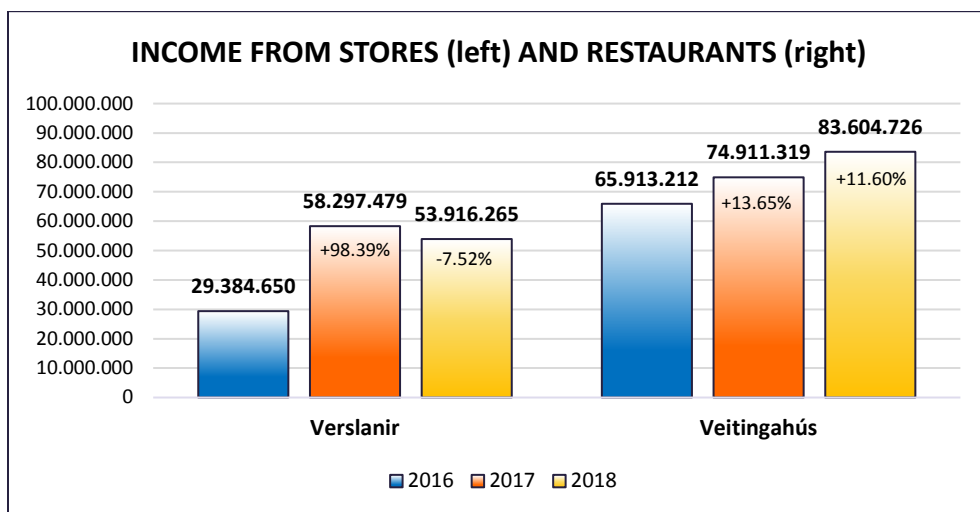
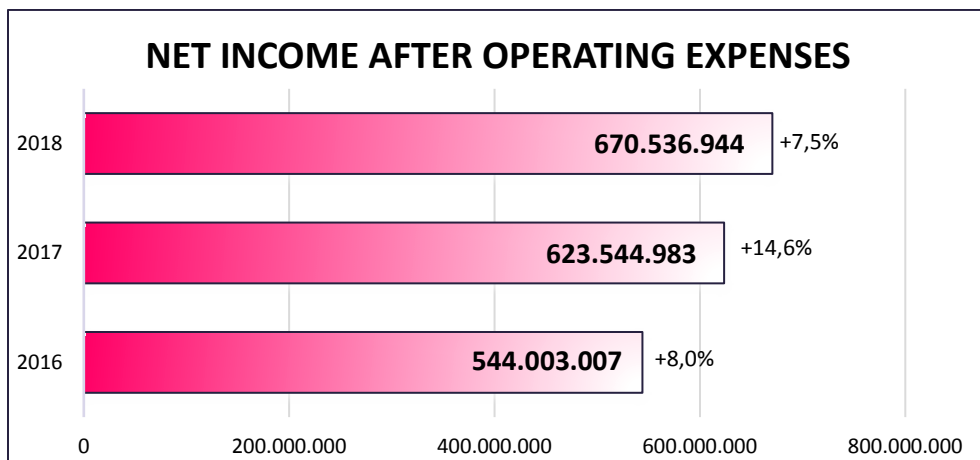
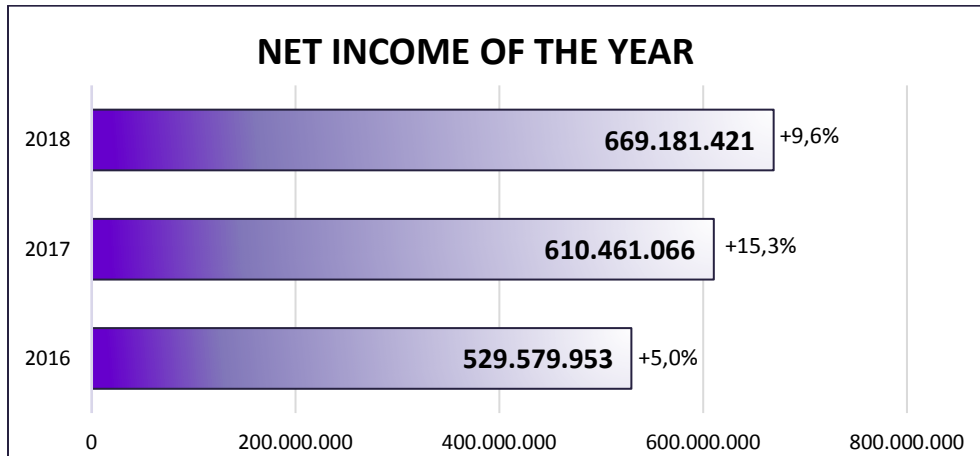
The Icelandic Composers Society is also a member of ISCM, the International Society for Contemporary Music, which holds the *World New Music Days*. It is an annual festival which is held each time in collaboration with some of the member countries. The choice regarding the location of the festival is based on applications from the member countries. The Annual General Meeting of ISCM is held parallel to the festival. Each member country has the right to send two representatives to the Annual General Meeting, one with a full right to vote and another with an observer status and the right to express an opinion. Furthermore, each member country has the right to present one composer at the festival who thereby gains the opportunity to have one of his/her works performed at the festival and obtains a full right to participate in all the events. Travel cost in connection with being a member of ISCM can therefore vary greatly according to the location of the events at each time. At large, people agree that this is a very important international network, that can be of direct use both to art itself, as to cultural politics.

Information on Members, Listing, and Performances

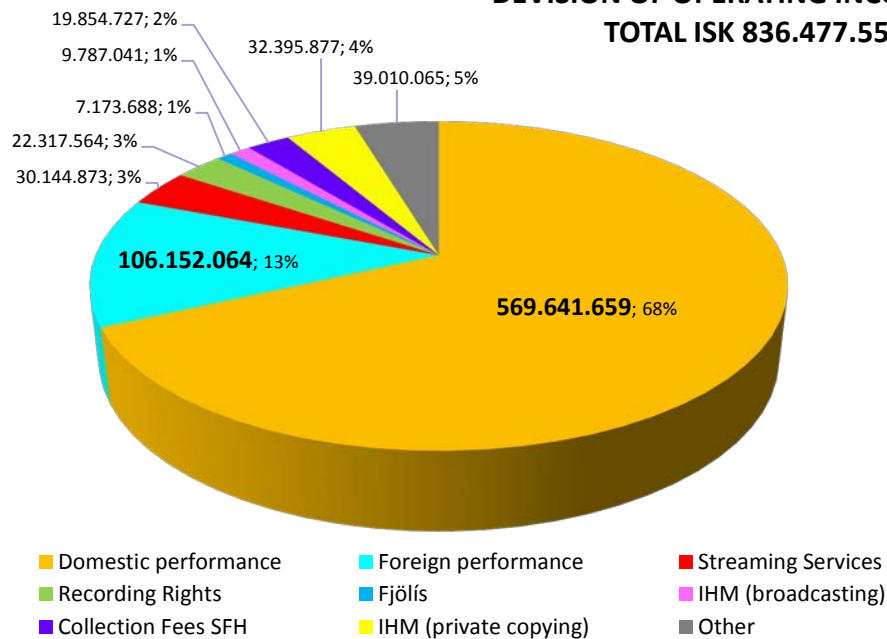
- The number of authors listed at the end of the year 2018 was 7.189.
- Of the authors listed there are 19% women and 81% men.
- New authors increased by 243 during the year.
- Performances were listed of 13.113 works.
- 2.137 authors received payment for the performance of works.

Statistics and a few Key Figures from the Financial Statement of STEF 2018

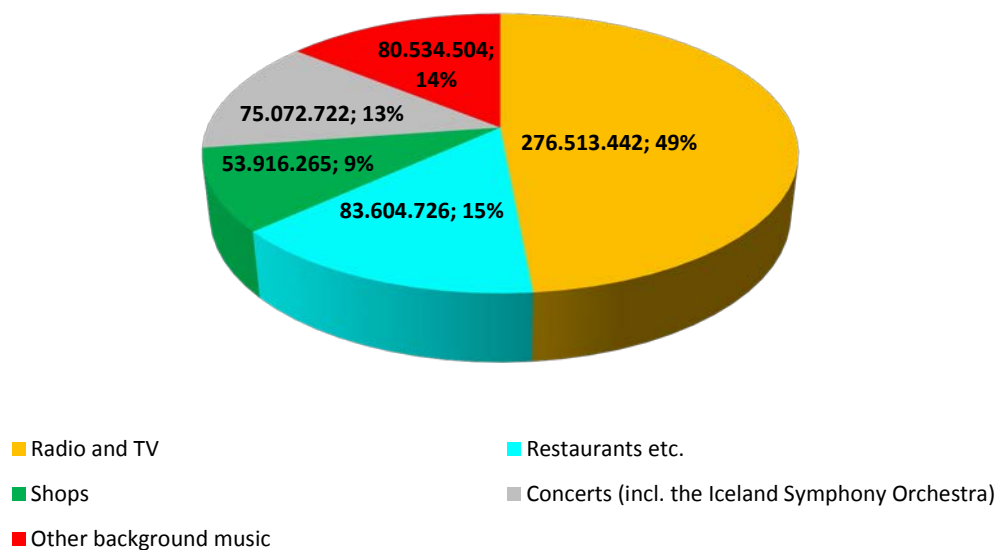




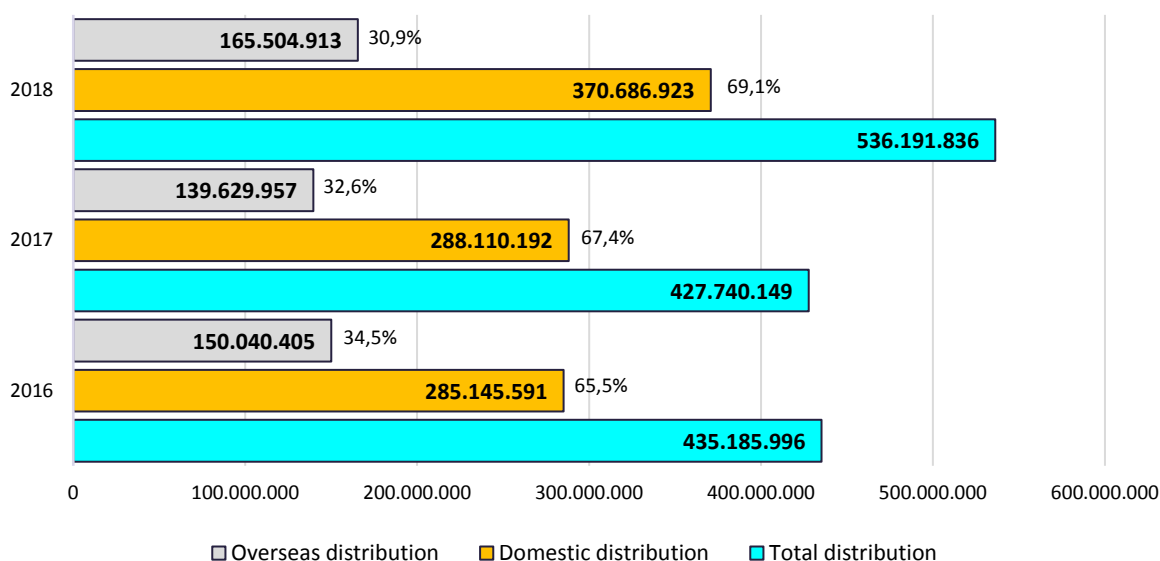
DEVISION OF OPERATING INCOME 2018 TOTAL ISK 836.477.558



DIVISION OF DOMESTIC PERFORMANCE INCOME 2018 TOTAL ISK 569.641.659



TOTAL DISTRIBUTION 2018



* * * * *

Information on Distributions and Deductible Items

The following is a special mention of a few distribution- and deductible items in accordance with the EU Directive on the collaborative administration of copyright fees. In other aspects, references shall be made to the Financial Statement of STEF which is available on the website of the society (www.stef.is).

* * * * *

Domestic distribution 2018	Distributed	Deductible Items 2018
Radio and TV (VOD incl)	149.413.000	17,5% cost-income ratio & 10% cultural contribution
—NB: ISK 62.570.064 of radio & TV defined as background music		
Other background music	11.124.000	17,5% cost-income ratio & 10% cultural contribution
Premiér & other special distributions	24.755.000	0%
Other (ISO, churches, etc.)	23.523.747	17,5% cost-income ratio & 10% cultural contribution
Domestic live performance	23.172.198	10% surcharge
Sale of recordings (NCB) and on-line streaming (NMP).....	26.794.370	Of NCB: 0%. Of NMP: 10% cultural contribution and 3% surcharge
IHM – private copying	32.395.877	17,5% cost-income ratio & 10% cultural contribution
International performance	111.667.950	3% surcharge
Total ISK:	402.846.142	

Foreign sister societies collect copyright fees for the members of STEF, then remit them to STEF which distributes the fees to the right holders. Following is the division of the foreign performing rights income according to the Financial Statement:

Division of Foreign Income according to countries:

Argentina	189.772	Latvia	56.994
Austria	820.770	Lithuania	244.015
Australia	1.862.374	Norway	2.430.916
USA	14.136.753	Portugal	347.750
Belgium	2.951.142	Poland	753.815
UK	21.677.484	Romania	172.938
Chile	242.616	Russia	155.524
Denmark	6.559.566	Slovakia	134.278
France	4.249.359	Spain	7.229.292
Holland	6.068.954	Switzerland	4.006.551
Hong Kong	69.806	Sweden	4.856.481
Ireland	1.039.143	Check Republic	162.179
Israel	467.892	Thailand	55.119
Italy	2.352.640	Hungary	169.895
Japan	2.532.329	Germany	17.397.140
Canada	1.502.882	Other	1.069.356
Croatia	186.339		

Other Income apart from Performing Income

STEF receives remuneration from SFH (Society of Performers and Record Producers) for the collection of SFH-fees in conjunction with the collection of copyright fees. This remuneration is deducted from the operating expenses before the deduction of the copyright income, as well as the share in the distribution of IHM regarding private copying, which is distributed along with the performing rights for background music. STEF also receives distributions from a few administration organisations, as well as agreed payments, and allocates them along with distributions from the various funds. No surcharge, or operating fee is deducted from these distributions (special income), nor any contribution to

Other income STEF received from administration organisations in 2018:

32.395.877	Distribution from IHM regarding private copying
19.854.727	Collection Fees from SFH (Society of Performers and Record Producers)

Special income of Music Education Funds:

7.173.688	Distribution from FJÖLÍS (Music Sheet Fund)
9.787.041	Distribution from IHM regarding cable radio (Recording Fund)
5.950.939	Special Income from RÚV (Composers' Fund of RUV and STEF)
3.000.000	Special Income from SÝN (Composers' Fund of Bylgjan & Stöð 2)
3.000.000	Special Income, contribution of STEF (Composers' Fund of Bylgjan & Stöð 2)

Unpaid Distributions at the turn of the year 2019:

44.653.399	Unpaid due to distributions
14.388.407	Unpaid due to NCb distribution in January 2019
165.504.913	Unpaid foreign distribution (STIM)

the Culture Fund. This remuneration is specified in the Financial Statement as listed below:



30 May 2019