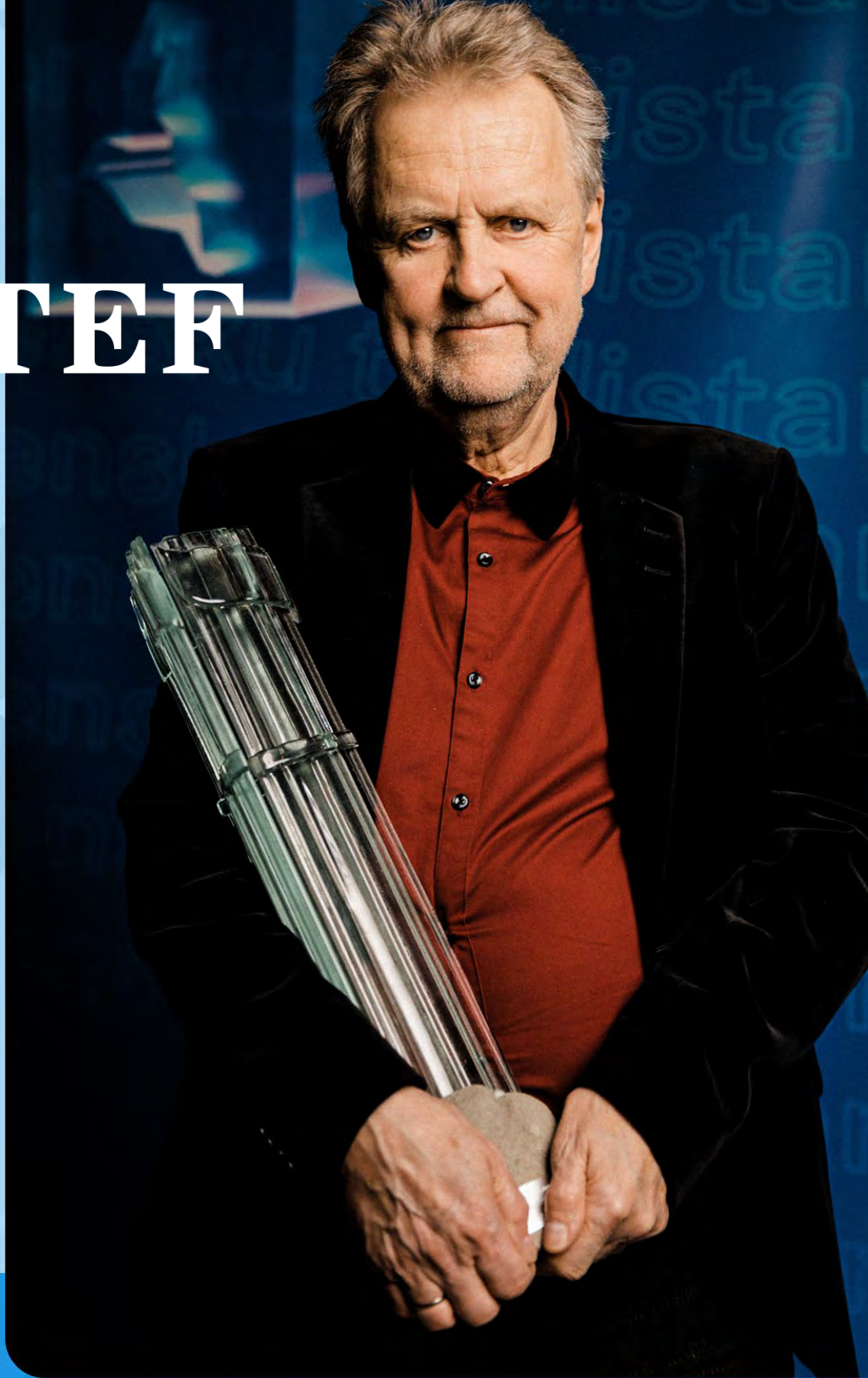




Management's Annual Report 2022-2023

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Address of the Managing Director

Out of the Shadow of a Pandemic

The financial standing of STEF in the year 2022 clearly revealed a line of work which is coming out of the shade of a pandemic. Examples indicating this development are e.g., that the income of STEF regarding concerts that year amounted to almost the same as the income from live music in the year 2019, which was the last “normal” operational year before the pandemic. It was indeed, a record-breaking year as regards income from concerts, especially because of Ed Sheeran’s gigantic concert in Iceland that year.



Increased Criticism of Streaming Services’ Business Model

We continue to see an increase in income from streaming, which is satisfying, as this item of income is becoming increasingly more important for authors who demand that the present business model be reviewed and that the income distribution from streaming be more reasonable. Although the streaming market has grown enormously in the past few years, the income of those who create the music has in no way increased correspondingly. The result is that the remuneration to authors is unacceptably low considering the importance of their contribution.

There are more aspects of this business model that can be criticized, as for example that the growth of free subscription has not returned to the authors, and the streaming services have not encouraged the users of such services sufficiently to switch to paid subscription. The subscription fee itself has also remained almost the same from the very beginning, even though the works of the services increase by 80 thousand each day and the quality of the whole service has increased considerably. Thus, the average income from each user has in fact been constantly decreasing during the last years.

The market is also very “hit-driven” and relatively few songs and artists can be said to enjoy unnaturally much streaming. Only 0,7% of the artists on Spotify (a total of 8 million) supported 90% of all streaming, whereas 93% of the artists had fewer than 1.000 monthly listeners which is nowhere near enough to make a living.

A powerful algorithm and Spotify’s emphasis on prioritizing playlists with the most popular songs, boosts the imbalance between the relatively few who enjoy the most streaming and the others who hardly make it to the surface. Furthermore, “artificial”- performers and authors distort the picture, as it can be difficult to pin down exactly what is man-made and genuine on the streaming services, because the transparency is limited.

Into the bargain, it appears to be far too easy to con the streaming services with 31 second sound clips, which can hardly be categorized as music and which computers are made to play constantly. It has been heard that up to 10% of the streaming services’ income goes to such conmen and

organized criminal activity which is driven by parties who have no scruples about threatening the lives of distributors.

Apparently, this calls for the reorganization of payment arrangements from streaming services, but no less that the total income be increased, and an emphasis placed on increasing the share of authors. The services should also be able to make their service more author-friendly, such as by enabling people to search for music by specific authors, and not just performers, as well as promoting diversity and more visibility of “lesser artists” with reference e.g., to languages and cultural areas.

Music Centre and Reorganization of Music Fund

Last spring, important steps were made in preparing the establishment of a Music Centre and the reorganization of the Music Fund. A new Music Centre is, among other things, intended to be a co-operating forum for the industries, organized interest groups, cultural institutions, educational institutions, and the authorities, on the policy and measures regarding the issues of music, as well as advancing the promotion, distribution, and sale of Icelandic music, in addition to running a sheet music distribution for Icelandic compositions. The Centre will, furthermore, offer consultation and service to musicians and related parties, and support the exportation of music.

A new Music Centre will be the new home of the Music Fund which will not only receive more capital than thus far, but will, in the future, operate in four separate divisions: *development and infrastructure, original artwork and publication, live performance, and exportation*. This new arrangement will involve the possibility to give grants to infrastructure- and seed projects, music venues, and music festivals, and make long-term agreements.

I have great expectations that the Music Centre, and at the same time, the powerful Music Fund, will bring about an immense boost to Icelandic music life. It is worth mentioning that the Music Centre and reorganization of the Music Fund have their roots in a report of a work group consisting of the various invested parties of the music sector and whose chairman was Jakob Frímann Magnússon.

Reykjavík, April 30th, 2023
With spring greetings,
Guðrún Björk Bjarnadóttir

Address of the Chairman of the Board

In the year 2022 we finally saw the last of the pandemic. The music scene is back to normal with all kinds of events, releases, and innovation – and musicians can get back to creating and composing.

There is, however, never any inactivity. There are great challenges ahead with the arrival of artificial intelligence which is making its entry into all sectors, and not least into those of art and creation. Now, as never before, it is important to instruct people on the nature and importance of copyright and take care that copyright work does not get gratuitously sucked into undefined dream factories of major companies. This, naturally, also involves opportunities, new ways to create, develop, and promote music. Art forms merge as never before, and the outcome will be a new and exciting world – but then it is important to be on guard and protect what has already been created.



Here in Iceland, we can celebrate the new music policy and music law, as well as the new Music Centre which is just within reach. We must continue to fight for a reasonable return for the use of copyright works, especially on the streaming services, and any kind of new media which often stream ahead based on their market position and mete out a few and small morsels of bread to those who create the material, typically at their own sweet will.

We have the advantage of having our office at STEF staffed with good people who have the knowledge and experience to tackle the various projects and challenges. The morale is good within STEF, and we intend to keep it that way for the good of all authors.

Reykjavík, May 7th, 2023
Bragi Valdimar Skúlason

Work of the Board and Office of STEF May 22 to May 23

The report contains the main projects and policies of STEF during the above-mentioned period, key operational figures, and an account of the operations and distributions of STEF. It also contains an account of the organization of STEF and information on those appointed by STEF to the various committees and councils, as well as those who hold other confidentiality positions for the society.

Board Members of STEF in the past Operating Year:

Bragi Valdimar Skúlason, Chairman
Þórunn Gréta Sigurðardóttir, Vice-Chairman
Eyþór Gunnarsson
Hallur Ingólfsson
Sigríður Thorlacius
Sigurður Flosason
Þuríður Jónsdóttir

Board Alternates were Snorri Helgason, Hafdís Bjarnadóttir, Samúel J. Samúelsson, Pétur S. Jónsson, Óttarr Proppé, Aðalsteinn Ásberg Sigurðsson, and Páll Ragnar Pálsson.

At the Annual General Meeting of the Icelandic Composers Society in last April, Þórunn Gréta decided not to stand as candidate for re-election. At the meeting, Páll was elected the new Chairman of the Icelandic Composers Society and, thereby, took Þórunn's seat as a Board member of STEF, as the Chairmen of the member societies automatically take a seat in the Board of STEF.

The Representative Body of STEF

The Representative Body of STEF 2022-2024 is comprised of the following members:

Aðalsteinn Ásberg Sigurðsson (FTT)	Óttarr Proppé (non-member)
Arnór Dan Arnarson (FTT)	Páll Ragnar Pálsson (TÍ)
Áskell Másson (TÍ)	Pétur S. Jónsson (FTT)
Birgir Steinn Stefánsson (non-member)	Ragna Kjartansdóttir (non-member)
Bragi Valdimar Skúlason (FTT)	Samúel J. Samúelsson (FTT)
Eyþór Gunnarsson (FTT)	Sigríður Thorlacius (non-member)
Hafdís Bjarnadóttir (TÍ)	Sigurður Flosason (FTT)
Hallur Ingólfsson (FTT)	Snorri Helgason (FTT)
Hildigunnur Rúnarsdóttir (TÍ)	Þórunn Gréta Sigurðardóttir (TÍ)
Logi Pedro Stefánsson (FTT)	Þuríður Jónsdóttir (TÍ)
Magnús Jóhann Ragnarsson (non-member)	

At the Annual General Meeting on May 25th, 2022, Aðalsteinn Ásberg Sigurðsson was elected Chairman of the Representative Body throughout the election period.

Discontinuance of Classification System and Establishment of Major Work Fund

At the Annual General Meeting of the Representative Body last spring, it was decided to discontinue the classification system of STEF, as of the next turn of the year. From then on, all compositions will have the same weight and value, irrespective of their form (naturally, length will however continue to matter).



This system has been hotly disputed for a long time and it has been an issue for many members of STEF, that there be no distinction made between compositions according to nature and appearance, and that “a minute of one work be equivalent to a minute of another” (a citation of an old slogan).

It is certainly important that all music policies have their place within STEF and that diversity be guaranteed. With the discontinuance of the classification system it was, thus, decided to establish a Major Work Fund, with the purpose of “supporting bigger projects which involve original creations of works in big form, comprehensive music projects, such as compositions and lyric writing for a whole LP, as well as transforming a bigger work, or a comprehensive repertoire into bigger and more extensive forms,” as it says in the Fund’s Articles of Association which can be studied further on the website of STEF.

It is expected that the Major Work Fund will distribute grants in accordance with applications twice a year, for the first-time next spring.

Parallel to this, the work of STEF’s Assessment Committee, which had the role, according to the requests of authors, to assess and categorize compositions according to the old classification system. That committee will, however, hereafter as before, be available, should members need a professional opinion when there is suspicion of music plagiarism.

New and Updated Website and “My Sites”

On last December 1st, on the *Day of Icelandic Music*, STEF’s new and updated website was revealed. It is in every way simpler and easier to use than the previous one. The main change, however, involves it being much more cell phone friendly than before, it can indeed be referred to as a revolution in this respect. It is also worth mentioning that new authors are now able to register themselves on-line in STEF. We congratulate right holders and invite them to take a look on the site www.stef.is.

Increasing Proportion of Women – Distribution Proportion however still low

A recent analysis of the list of STEF's members reveals that the proportion of women has edged upwards in recent years. In the year 2012, 17.6% of authors were women, but ten years later the proportion has reached 20.1%. The proportion of women who receive any distributions has also increased somewhat recently, in the year 2019, 17.7% were women, but 19.09% in the year 2022. The proportion of women in the total distribution, on the other hand, remains the same. In the year 2022 it was 10.88%, but in 2021 it was 10.47%. In comparison, it was 10.65% in the year 2012.

In the year 2022, newly registered members were 281, thereof 203 men, 77 women, and 1 non-binary. Thus, 28% of new members were women (and non-binary). The gender ratio among new members is, thus, much better than it was, in comparison with the total number of members registered at STEF from the very beginning.

It is worth mentioning that in the year 2022, 132 authors received distributions of over one million ISK. Only 8 women were among these authors and, thus, 6 % of the members who earn the most are women.

STEF has worked at evening out this proportion, in the various ways, such as with a “mentor” program for women who are taking their first steps; with participation in the international “Keychange” program; furthermore, there is a committee on gender equality operating under the auspice of STEF which observes these issues systematically. All suggestions on how we can exert ourselves better in this respect are welcomed.

New Agreement with Iceland Symphony Orchestra

In last November, STEF signed a new agreement with Iceland Symphony Orchestra. The included photo shows Guðrún Björk Bjarnadóttir, Managing Director of STEF, Þórunn Gréta Sigurðardóttir, Vice-Chairman of STEF, and Lára Sóley Jóhannsdóttir, Managing Director of Iceland Symphony Orchestra. The new agreement is mostly in accordance with the older agreement, but modernized by e.g., giving the orchestra the authority to stream concerts. Minimum payments to STEF are, furthermore, somewhat increased.

Agreement with TikTok

In October, STEF finally made an agreement with TikTok regarding the use of Icelandic music. The agreement was made by Polaris Hub on behalf of STEF and other Nordic collective management organizations. With this, the members of STEF receive one more streaming income flow. The agreement is retroactive in the sense that STEF receives payment regarding TikTok's use of music as of the time in which the streaming service started operations.

According to the research of Polaris, TikTok has grown rapidly in the last two years in the Nordic countries, and in Norway, 30% of young people at the age of 12-17 years, claim that the last time they discovered songs they liked was on TikTok.

TikTok, first and foremost uses an ISRC code to recognize songs that are streamed on the streaming service and therefore it is important to remind authors to register ISRC codes on the recordings that are available of their works, when they are registered at STEF.

STEF's 2022 Service Survey

Last autumn, STEF conducted a service survey among its members. The results reveal that generally they appear to be very pleased with the services of STEF, which is certainly very satisfying for STEF and its staff. The participants believe that the image of STEF is constantly improving and is more promising now than ever before. "My Sites" are what the members use the most, but some of the participants in the survey believed that the environment of "My Sites" could be improved. It should however be mentioned, that shortly after the survey was conducted, a step forward was taken in this respect, when "My Sites" received a more user-friendly cell phone interface. Thus, things have improved in this regard.

Parallel to the survey, we received various useful comments which will undoubtedly be of use in improving the service still further. One lucky participant received a credit of ISK 20.000 in Harpa as a reward for participation. We thank those who took time to participate, it is important to us.

The "Wind in the Sails" Project Repeated



In the year 2020, STEF initiated the project "Wind in the Sails" which is a kind of "mentor program" intended to support and assist women authors and non-binary people in gaining foothold within the music industry, and promoting their works, in the hope of evening out the gender imbalance within the music sector. The objective is to help the participants gain the knowledge needed to present and promote good work.

The project was considered to have been successful and it was decided to repeat it last autumn. A total of 38 applications for participation were received and STEF's Committee on Equal Rights was naturally in some difficulties as many applications were considered interesting. The committee decided to select Guðrún Ólafsdóttir, Krístrún Steingrimsdóttir and Sigga Ózk as participants this time. Resultantly, they started communicating and collaborating with supervisors, and it will be interesting to see the results in the next months.

Matters of Personnel

At the turn of the year, **Anja Ísabella Lövenholdt** started work in the service department of STEF where she handles registration and paperwork. The service department received still further reinforcement when **Arnar Freyr Frostason** joined the registration group. Together, they are now zealously working at enabling authors to receive reasonable payments for public performances.

In the last operating year, Oleksandra Bezuhlova, or **Sasha**, as she is called, worked temporarily in the office of STEF. She came to Iceland from Ukraine and gave a helping hand in registration. We were very happy to have Sasha as a member of our group and to be able to offer her an opportunity to work for a time in peaceful circumstances while there is a war in her homeland.

New Tariff for Dancing Schools and Fitness Centres

STEF's tariff is constantly developing and being renewed. In the year 2022 an effort was made to introduce a new tariff to the sports activity sector, which took effect in January 2023. The new tariff has a special focus on the ability of the sports activities to embrace better the use of music under their auspice, as well as on the sports clubs, many of which have been sending payments to STEF according to the old tariff.

In discussions with these parties, various viewpoints were revealed which possibly call for a certain adjustment of the tariff. This work will foreseeably be completed by the end of 2023. Furthermore, collections started in the year according to tariff for dancing schools and fitness centres, but in view of the COVID-19 pandemic, it was decided to postpone the collections until the year 2022. Following that collection, a message was received from FÍLD (The Icelandic Association of Professional Dancers) with the request of revising the tariff. Resultantly, a conversation to that effect began in April 2023 and then a new tariff was published for dancing schools and fitness centres. Collections according to the new tariff will begin this year.

Results of Arbitration regarding IHM-Distributions

Shortly after the last Annual General Meeting of STEF, an arbitration was pronounced in the dispute between the member societies of IHM on the division of IHM distributions for private copying. The result was that STEF will get 13% of this distribution, which can be considered unacceptable, considering what STEF has received in the past few years. This is, however, somewhat better than the conciliator's proposal, which involved a 12% share.

Pursuant to the arbitration, a settlement was made regarding the years 2016-2021 and STEF had to pay back a considerable amount to IHM, even though a fixed sum had been put aside during these years to meet the settlement amount on behalf of IHM. According to the arbitration, the member societies of IHM are bound by this result until the year 2025, but from then on, the member societies may request a new division.

It was a special disappointment that the arbitration did not take into consideration the copying which takes place on streaming services such as Spotify, where the subscribers have the authority to make copies of the works that are found there, by making use of the "off-line" option of the service, but the users are not requested to pay especially for that option and, thus, the authors do not receive any additional payment for such copying.

Externalities:

Dark Report on the Streaming Market

GESAC, European Grouping of Societies of Authors and Composers, of which STEF is a member, sent a report on the streaming market last September, following an extensive analysis. This analysis was made following incremental criticism and demands of artists, not least authors, for a more reasonable income distribution.

The streaming market has grown enormously in the past few years, whereas the income of the ones who create the music has nowhere nearly increased accordingly. The emphasis within the sector has been placed on the weight between the recording artists and the performers, while the authors and other right holders appear to be considered as residual amount.

The report reveals that the value of music has decreased and that the total income is constantly decreasing, counter to the expectations and demands of those who create the music, i.e., the composers, and right holders. This development naturally diminishes the possibilities of the self-sustainability of those involved.

The authors of the report urge an increase in transparency and that the streaming services will be requested to promote diversity regarding music policies, languages, and the origin of performers, and those who create the music. In this respect, they urge policy making procedures in the venue of the European Union.

In short, the main conclusion of the report is that remuneration of the authors is unacceptably low considering the importance of their contribution.

A summary of the main conclusions of the report can be found [here](#) and GESAC's main improvement proposals.

Special Income Drop Distribution regarding COVID-19

At the beginning of the year 2022, the government proclaimed special foothold procedures to support music and stage arts after difficult times, following the COVID-19 pandemic. The procedures involved a total of 450 million ISK injection of which 150 million ISK were intended for composers with the aim of compensating, in part, a drop in income regarding the meeting restrictions, which made it more or less impossible for musicians to hold concerts for a period of two years (2020-2022).

The government bestowed STEF with the distribution of this money and setting norms for the distributions. Pursuant to a consultation with the Ministry of Culture and Trade, the Board of STEF approved the special distribution rules (**[see here](#)**).

The distribution took place last May 18th. Distributions were made to a total of 504 right holders. The average distribution was about 280.000 ISK. Thirty-three individuals received distributions amounting to upwards of one million, and five exceeded the maximum distribution (2 million ISK). A total of 38 new members received distributions according to a special rule.

Repayment Law Amendment regarding Recording

With the Amendment Laws, which came into effect at the end of the year 2022, the repayment resource regarding the recording of music was prolonged until the year 2027. These measures were made as the resource is considered to have proved itself and had a positive impact on the release of music in Iceland, as an assessment was made of the success of the repayment system during the preparations leading to the Law.

At the same time, insignificant changes were made of the resource that pertains to enabling service providers of foreign recording artists to apply for repayment on behalf of their clients. It is worth mentioning, that in the year 2020, insignificant changes were also made to the system which extended the possibilities of applying for repayment by shortening the common playing time of recordings from 30 minutes to 14 minutes.

Legislation on Music Centre and Music Policy

On last May 8th, the proposal Lilja Dögg Alfreðsdóttir, Minister of Culture, Trade, and Tourism, had introduced on the first overall legislation on music, based on a formal music policy, was approved at Althing, Parliament. It will be valid until the year 2030 and involve strengthening a framework for the creation and performance of music in Iceland, demarcate a comprehensive framework for musical issues, and create favourable conditions for music.

STEF submitted a comment to Parliament on these issues (also to the consultation doorway of the ministry offices when the issue was still at an administrative level). These laws form the basis for the establishment of a special Music Centre and involve the reorganization of the government's fund system in the field of music. The laws also cover a provision regarding a special Music Council which will be of consultative use for the government and the Music Centre regarding the issues of the various types of music genres.

The comment STEF submitted contained insignificant observations regarding a few points in this proposal, but first and foremost, STEF declared its approval with the step involving the establishment of a Music Centre, as well as the making of the first formal music policy in the country.

Miscellaneous Operational Issues:

The Day of Icelandic Music

The Day of Icelandic Music was, as usual, celebrated in Harpa on December 1st and on this occasion, awards were also presented, according to custom. The *Innovation Award* was received by the event app, **Gjugg**. The *Incentive Award* was received by **KITÓN**, Icelandic Women's Association in Music. The recipient of the *Glugginn Award* was **Hljómahöllin Culture Centre** in Reykjanesbær, and the *Export Award* was received by **Laufey Lín**. The *Honorary Award*, *Litla Flugan*, was presented to the monthly magazine, **Reykjavík Grapevine**. Included is a photo of the representatives of the award winners.



ÍTV 2023



The **2023 Icelandic Music Awards (ÍTV)** took place in Silfurberg, Harpa on last March 22nd. As is the custom, several music items were performed. Among the performers were Friðrik Dór, Una Torfadóttir, Hildigunnur Einarsdóttir, and Reykjavík Big Band. Ragnheiður Ingunn Jóhannsdóttir was elected “The Brightest Hope” as she received a great deal of attention during the Opera Days in February, where she conducted her own orchestra, as well as performing the solo part.

Changes were made to the prize categories this year and the scale of the prize thereby simplified. This does not involve a reduction but streamlining within the categories and a combination of some of the prizes. There was a total of 37 categories, but they will be reduced to 22.

At present, awards are given within each music category for records, singing, instrumental music, or performance, individual songs, or compositions, where the spotlight is directed to the originators (songwriters or lyricists) of the major compositions of the year. Awards are also given across categories for videos, concerts and festivals, and production.

It is also worth mentioning, that this year, a so-called “longlist” was published for the first time of the records and songs/compositions eligible for the nominations of the year, some time before the final “shortlist” was published.

Magnús Jón Kjartansson was the recipient of the *Honorary Award* of the *Icelandic Music Awards* this year. Magnús has an extensive experience within the Icelandic music world, from the time he

established a teenage group in Keflavik in the sixties. He has been a key player in some of the best-known groups in Iceland, such as Trúbrot, Brunaliðið, and Sléttuúlfarnir, to name but a few.



Magnús has been one of the leading authors of pop and rock music during the past decades and has written several hit songs that will be remembered for a long time. During the years, Magnús has also been active in the campaign for the rights of musicians, especially authors. He was for a time the leader of the Icelandic Society of Authors & Composers, the Chairman of STEF and other related organized interest groups. It is a great pleasure for authors that Magnús should be the recipient of this well-deserved award for his diverse work for their benefit, throughout the years.

A list of the recipients of the awards of the year can be found on the website of ÍSTÓN, (www.iston.is).

Bjartmar Awarded at a Turning Point

Bjartmar Guðlaugsson turned seventy this year and was presented with the *Honorary Award* of STEF, at the anniversary concert, for his considerable contribution of songs throughout the years. The Icelandic Society of Authors & Composers also presented him with their honorary award on the same occasion. Bjartmar is among the greatest folk-song composers of his generation and, indeed, all generations, because his songs appeal to constantly new generations, not only the “lost ones”. Time can be lost, as Bjartmar explained in an immortal poem. Evergreen songs about the doings and destiny of man, which the birthday child is so adept at interpreting, will, however, neither be lost for anyone, nor forgotten in the near future.



Jón Ásgeirsson Presented with Honorary Award

Last July 2nd, the composer Jón Ásgeirsson was presented with the *Honorary Award* of STEF. The Chairman and Vice-Chairman presented the award and thanked Jón for his lifework, which is considerable and includes operas, ballets, concerts, choruses, and numerous melodies, such as the immortal one written to Halldór Laxness’ “May Star”. Jón has also made quite a

lot of arrangements of folksongs and the poems of Vatnsenda-Rósa are worth mentioning, in this connection, which Jón arranged and refined so memorably. Furthermore, Jón has also been a significant music teacher and was the first one to be appointed professor in music at the Teachers Training College of Iceland. We thank Jón for his outstanding contribution and all the songs.

Egill Ólafsson Honored

In February, Egill Ólafsson celebrated his seventieth birthday and the release of a new record at a concert. Board Members of STEF were among those present at this concert and took the opportunity to present Egill with the *Honorary Award* of STEF. Egill is, indeed, “one of the big ones”, as it says in a well-known opus. Not many have put their mark as thoroughly on the art world as Egill did for some time, when he was the main driving force in three immortal bands of anchorage and excellence in the Icelandic history of music: Spilverkið, Stuðmenn, and Þursaflokkurinn. Ever since then, Egill has performed on various stages and levels, whether it be at concerts, in the theatre, or on the silver screen. The release of the new record reveals that Egill is still flourishing, even though “the wind snatches sails, and the dance of the fateful cloud is savage”, as this rough translation of a line in his song “Sailing” says. May Egill continue sailing for a long time to come.



Events, Work Shops & other Functions:

“Record Man Play My Song” – How Do Songs Get Played on the Radio?



In January, STEF and ÚTÓN - Iceland Music Export Fund, held an informative meeting on what should be kept in mind when trying to get radio airplay. Representatives from RUV and Sýn held instructive and useful talks, presented work procedures, explained how songs get airplay, which properties are considered, how often the songs are played, etc. Finally, they answered numerous questions from those present.

The meeting was considered a success and we express our gratitude to those who took part. The photo included shows the representatives of Sýn and RUV with the chairperson, Salka Sól.

The event was streamed live on Facebook and can still be viewed there for some time to come.

“Stream Baby Stream” – Informative Meeting on the World of Streaming

STEF and ÚTÓN – Iceland Music Export Fund, held an informative meeting on last March 23rd, on how best to present music to streaming services such as Spotify and which measures can be made to get increased airplay and distribution. The meeting was especially intended for those who release their own music and perhaps do not know very much about the streaming business and how things work on that big stage.

Members of the panel were people who have experience and knowledge of how the streaming services work. **Eiður Árnason**, who has worked for FHF – Association of Record Producers, held an opening talk. He is among the most knowledgeable ones in Iceland about the nature and activity of streaming services. **Álfrún Kolbrúnardóttir**, at Flame Productions, then held an introduction. She has considerable experience in getting music on playlists. Then, **Tómas Welding**, who has been very successful on Spotify, talked about his streaming progress.

The event was streamed live on Facebook and can still be viewed there for some time to come.

“Current Transforming” – On the Current Issue of Record Release

Last autumn, ÚTÓN – Iceland Music Export Fund, and STEF held an informative evening on the release of music, how it is distributed and promoted in the days of streaming services. Experts, related to record labels and management, were members of the panel: **Andri Þór Jónsson** from Alda Music, **Anna Jóna Dungal** from Sony Music, **Geoffrey P. Huntington** from Sticky Records and **Steinunn Sigprúðardóttir** from Póst Dreifing.

The role of the recording artist was discussed considerably now that it has become possible to distribute music firsthand on the streaming services. The discussions also centred on whether streaming income suffices to finance recordings (and, as the case may be, production and distribution in solid form) and cover the cost of promotion and marketing.

“How Does This Work?” Informative Meeting for Female Members of KÍTÓN

An informative evening was offered to the members of KÍTÓN (Women in Music) on last February 2nd. **Guðrún Björk**, Managing Director of STEF, discussed the best ways for composers to work with STEF in order to maximize the copyright fees. The cash flow of the streaming services was also discussed and the difference between getting paid for streaming as an author, and as a recording artist and performer.

Mantik Music Composition Camp

Iceland Sync Management and **Mantik Music Group** joined forces and held a composition camp in the Greenhouse Studios, in October 5 – 7. Songwriters and recording managers met there under the auspice of the companies and composed music together. STEF also had a representative there, **Hákon Guðni Hjartarson**. Parallel to this enterprise, STEF invited members to an open lecture, where the leader of Mantik Music, Nicolas Blix, discussed the activities of the music publishers, explained their roles, and gave insight into how authors are sought and how songs are promoted.

Composition Camp in Poland

STEF supported one author for participation in the SyncCamp composition camp, which was held in SoPot in Poland in November 22 – 27. This involved music for movies and commercials. The music supervisors gave advice to the members and related the music to the various projects. An emphasis was made on group work and networking.

The camp, which has been an annual event, was held by ZAIKS, the sister society of STEF in Poland, and Music Export Poland, the export office of Polish music. There was a total of 15 members this time and they came from all over. **Hallur Ingólfsson** was the representative of STEF this time.

STEFdate on Culture Night

For some time, STEF has held a concert in the backyard at Laufásvegur 40 on Culture Night. As could be expected, this concert was cancelled in the years 2020 and 2021. Last summer, however, we picked up where we had left off. This time, **Cell7**, **Sigurður Guðmundsson**, **Jónína Aradóttir**, and **Þorsteinn Einarsson** performed.



Related Societies, 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 *Hjörtur Ingvi Jóhannsson*, and *Bragi Valdimar Skúlason*, 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 Fund). *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* (ÍTV) and *The Day of Icelandic Music* (DÍT). The representatives of STEF in the Board of Samtónn are *Guðrún Björk Bjarnadóttir* and *Páll Ragnar Pálsson*, in addition to *Bragi Valdimar Skúlason*. The manager of ÍTV and DÍT is *Kristján Freyr Halldórsson*.
- Members of the Recording Fund of STEF are *Aðalsteinn Ásberg Sigurðsson*, *Oliver Kentish*, *Ragnheiður Gröndal*, and *Ragna Kjartansdóttir*.
- Members of the Music Sheet Fund of STEF are *Tryggvi M. Baldvinsson*, *Hildur Kristín Stefánsdóttir*, *Hafðís Bjarnadóttir*, and *Úlfar Ingi Haraldsson*.
- Members of the Major Work Fund of STEF are *Elisabet Indra Ragnarsdóttir*, *Gunnhildur Einarsdóttir*, *Óttarr Proppé*, and *Hallur Ingólfsson*, in addition to *Guðrún Björk Bjarnadóttir*.
- Members of the Travel Fund of STEF are *Lárus Grímsson* and *Rósa Birgitta Ísfeld*.
- Members of the Composers' Fund of RÚV and STEF are, on behalf of STEF, *Védís Hervör Árnadóttir* and *Tryggvi M. Baldvinsson*. The Manager of RÚV is also a member. Alternates are *Hallur Ingólfsson* and *Pórunn Ósk Marinósdóttir*.
- Members of the Composers' Fund of Bylgjan and Stöð 2, on behalf of STEF, are *Bragi Valdimar Skúlason* and *Páll Ragnar Pálsson*. The Manager of Sýn is also a member.
- Members of the Musical Education Fund of the Church, on behalf of STEF, are *Hilmar Örn Agnarsson* and *Hildigunnur Rúnarsdóttir* is his Alternate.
- Members of the Copyright Council on behalf of STEF is *Karólína Eiríksdóttir*, and *Óttarr Proppé* is her Alternate.
- Members of the Icelandic Selection Committee for *The Nordic Film Composer Award* are *Pétur S. 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*, *Ingi Garðar Erlendsson*, and *Eyþór Gunnarsson*.
- Committee on ecclesiastical ceremonies regarding distribution: *Óskar Einarsson*, *Regína Ósk Óskarsdóttir*, and *Pórir Úlfarsson*.
- Members of the committee on equal rights are: *Sóley Stefánsdóttir*, *Snorri Helegason*, *Páll Ragnar Pálsson*, and *Eliza Newman*.

The Culture Fund of STEF

STEF supports domestic cultural activities in the various ways through the Culture Fund of STEF. It is, however, not possible to apply for grants to 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 Culture 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 Culture 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 Culture Fund amounted to 35 million ISK in the year 2022 and remained the same between years. Distributions from the cultural contribution amounted to 7.058.004 ISK to each member society, The Icelandic Society of Authors & Composers (FTT) and the Icelandic Composers Society (TÍ). Their report on the disposal of the contribution can be found below.

The use of fees from the Culture Fund is specified in the Financial Statement and is as follows:

Culture Fund:	2022	2021
Balance at the beginning of the year	7.090.028	2.443.254
Contribution of STEF	35.000.000	35.000.000
For distribution:	42.090.028	37.443.254
Contribution to TÍ	7.058.004	7.058.004
Contribution to FTT	7.058.004	7.058.004
Contribution regarding Samtónn	649.557	957.033
Contribution regarding Day of Icelandic Music	1.698.092	842.063
Contribution regarding Iceland Music Awards	4.409.063	5.172.990
Contribution regarding Export Fund of Icelandic Music	1.500.000	0
Contribution regarding ÚTÓN	2.000.000	1.580.000
Contribution to Recording Fund	6.000.000	6.000.000
Grants of the Board	3.000.000	1.200.000
Other contributions and cost participation	4.189.027	485.132
Distributed during the year:	37.561.747	30.353.226
Financials at the end of the year:	4.528.281	7.090.028

The Allocation of STEF's Cultural Contribution on Behalf of the Member Societies 2022

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

The members of the Board of FTT during the year 2022 were *Bragi Valdimar Skúlason*, Chairman, *Védís Hervör Árnadóttir* Vice-Chairman, *Andri Ólafsson*, *Sóley Stefánsdóttir*, and *Samúel Jón Samúelsson*. Alternates were *Ragnheiður Gröndal*, and *Hallur Ingólfsson*. The society fights for the interests of its members in many fields: within the administration, in the mass media and broadcast media, in addition to taking part in Nordic and European collaboration of sister societies, NPU, and ECSA- The European Composer and Songwriter Alliance.

The annual garden party of FTT was held again and a culture trip to Reykjanesbær was also taken.

FTT took an active part in initiating a new Music Centre, which will hopefully be actualized this year, in addition to taking part in the creation of the new music policy of the government and new law on music. A joint Nordic meeting of the sister societies in Helsinki was attended, as well as an ECSA meeting in Croatia. FTT is also a member of BÍL – The Federation of Icelandic Artists and has a membership in the various committees and councils related to music and culture.

Itemization of operating costs can be seen below, according to the Annual Financial Statement of FTT.

STEF's cultural contribution 2022	7.058.004	Expenses 2022	
		Salaries and payroll-related expenses	5.728.731
		Meeting and business expenses	466.007
		Travel expenses	126.167
		Association and membership fees	302.628
		Expensed tools and equipment	80.010
		Telephone and office expenses	188.612
		Website operation and computer equipment	301.222
		Accounting assistance	310.000
		Overpaid operating contribution	24.262
		Total:	7.527.639

Report from The Icelandic Composers Society (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. The Composers Society takes part in the various committee work within the life of music, both on its own behalf and through its membership in societies with a wider reference, such as BÍL- Federation of Icelandic Artists, in addition to STEF.

Dark Music Days

It was given that a big part of the program which was supposed to be on *Dark Music Days* 2021 would be transferred to the year 2022 and the plan was to hold the festival in January, as is the tradition. In the same week as the festival was to take place, quarantine rules were suddenly tightened, so yet again we were forced to postpone. It proved to be especially difficult this time, as preparations were almost completed and, e.g., programs and other promotional material had been printed, and had to be destroyed. Thus, considerable "sunk cost" was made regarding the reorganization. In March, however, a fine festival was held, and ticket sales exceeded expectations, as there was a 20% increase in ticket sales from the last festival before the pandemic.

Nordic Music Days 2022

Nordic Music Days were held October 11 – 15 in Reykjavík and Kópavogur. Tinna Þorsteinsdóttir was the artistic director. Skúli Helgason, Chairman of the Culture-, Sports- and Recreational Activities Committee of the City of Reykjavík, formally opened the festival in the City Hall of Reykjavík. The *Honorary Award* of the Nordic Composers' Council was presented at the opening festival and the recipient was the concert venue, *Mengi*.

A total of 14 concerts was held at the festival and a total of 65 compositions was performed in various forms. School concerts were also held, also a conference for composers on the export and promotion of music, as well as three workshops for students of music. The workshop *Young People in Media* was the most popular and involved guidance in writing articles and reviews on the events and concerts at the festival.

Music Centre

The operations of STEF, both internal and external, mostly revolved around the preparations for the establishment of a new Music Centre. Special briefings and promotional meetings have been held for the members of STEF, as the merger of the Icelandic Music Information Centre and a new Music Centre will impact most composers who use some kind of sheet music writing.

On May 31st, 2022, a promotional meeting was held under the auspice of the Icelandic Music Information Centre, in the festivity hall of FÍH – Society of Icelandic Musicians, which the Minister of Culture attended, also addressed the meeting, and answered questions. The Chairman

of TÍ – The Icelandic Composers Society, closed the meeting. Attendance and the general participation were very good.

The Icelandic Composers Society will, in all probability, have nomination rights in the board of the new centre, in addition to FÍH, STEF, FHF, FT, and the Minister of Culture at each time. Each nomination rights party must contribute operating capital to the centre yearly and the contribution of TÍ will be 100.000 ISK a year.

The Nordic Composers' Council – NRK

NRK utilized the pandemic to prepare extensive organizational changes of the operating model of *Nordic Music Days*. The main changes involve employing one project manager for a longer period of time, instead of employing new project managers for each festival. The project manager will be responsible for financing and operation each year. NRK finances this position according to a general cost division, which is Sweden 24%, Norway 24%, Denmark 24%, Finland 14%, Iceland 9%, and the Faroe Islands 5%. The total cost of maintaining the position is about 500.000 DKK a year and the share of Iceland in this cost is 45.000 DKK a year, or upwards of 900.000 ISK according to the current rate of exchange.

The position of the project manager of Nordic Days was advertised shortly before the turn of last year. The employment of Rachel Gardiner Faulkner was completed last February, and she started work on March 1st. A total of 71 applications was received and eight applicants were summoned for interview.

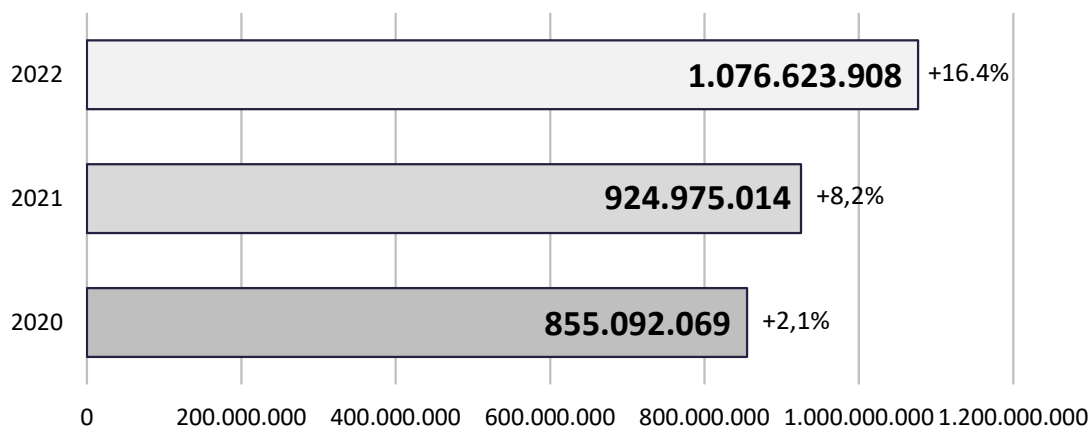
ISCM

TÍ – The Icelandic Composers Society is a member of ISCM – *International Society for Contemporary Music*. This society holds the music festival, *World New Music Days*, which was held in August 23 – 31 in New Zealand, for the first time since the pandemic. The representative of Iceland was Haukur Tómasson with the work *Serimonia* for an electrified string quartet.

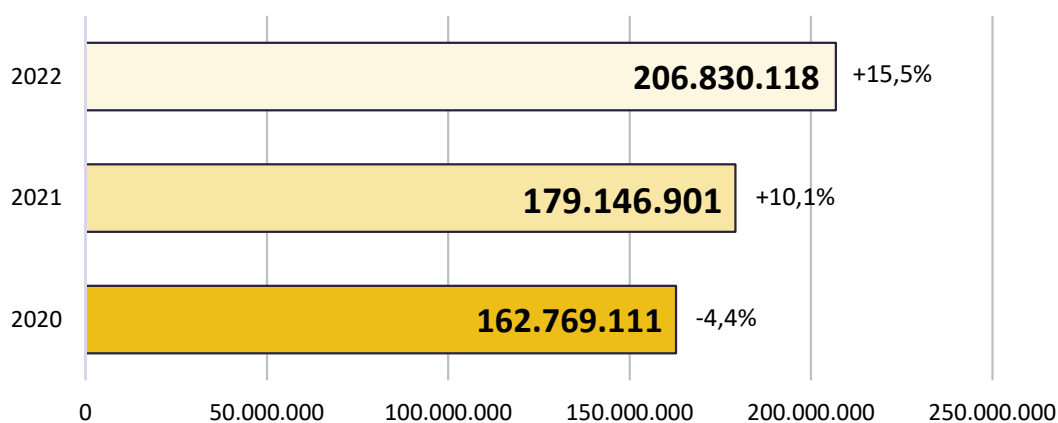
On behalf of the Composers Society of Iceland
Páll Ragnar Pálsson, Chairman

A FEW KEY FIGURES FORM THE FINANCIAL STATEMENT OF STEF 2022

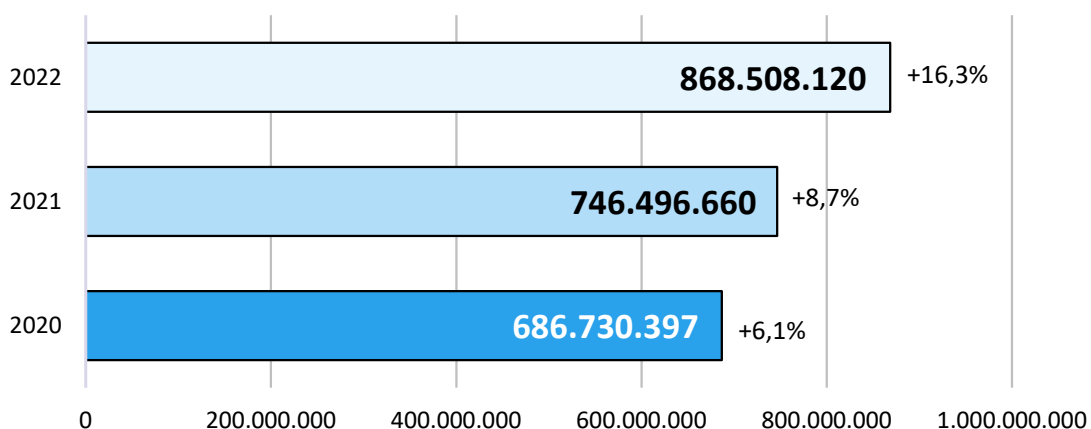
OPERATING INCOME



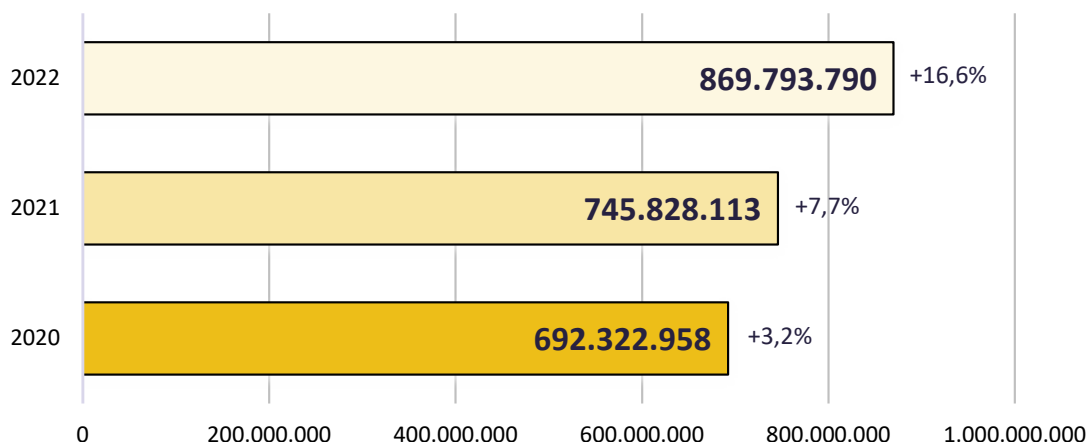
OPERATING EXPENSES



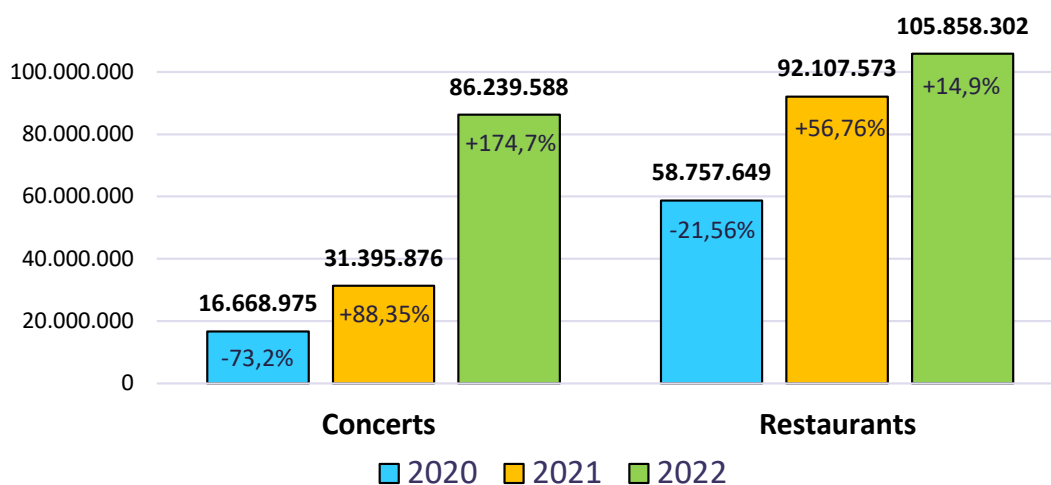
NET INCOME OF THE YEAR 2022



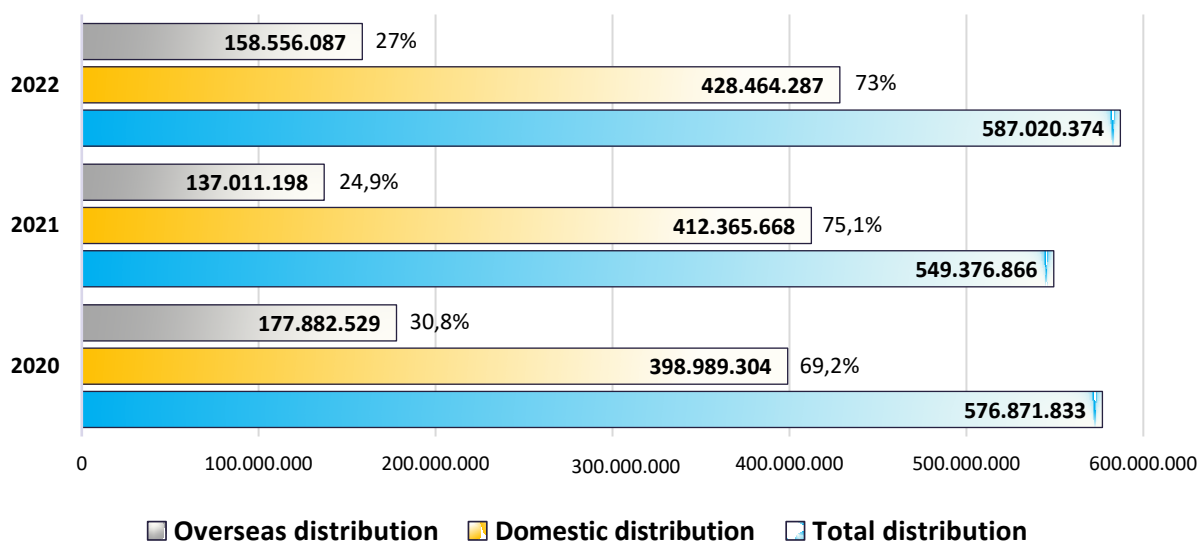
NET INCOME AFTER OPERATING EXPENSES 2022



INCOME FROM CONCERTS & RESTAURANTS

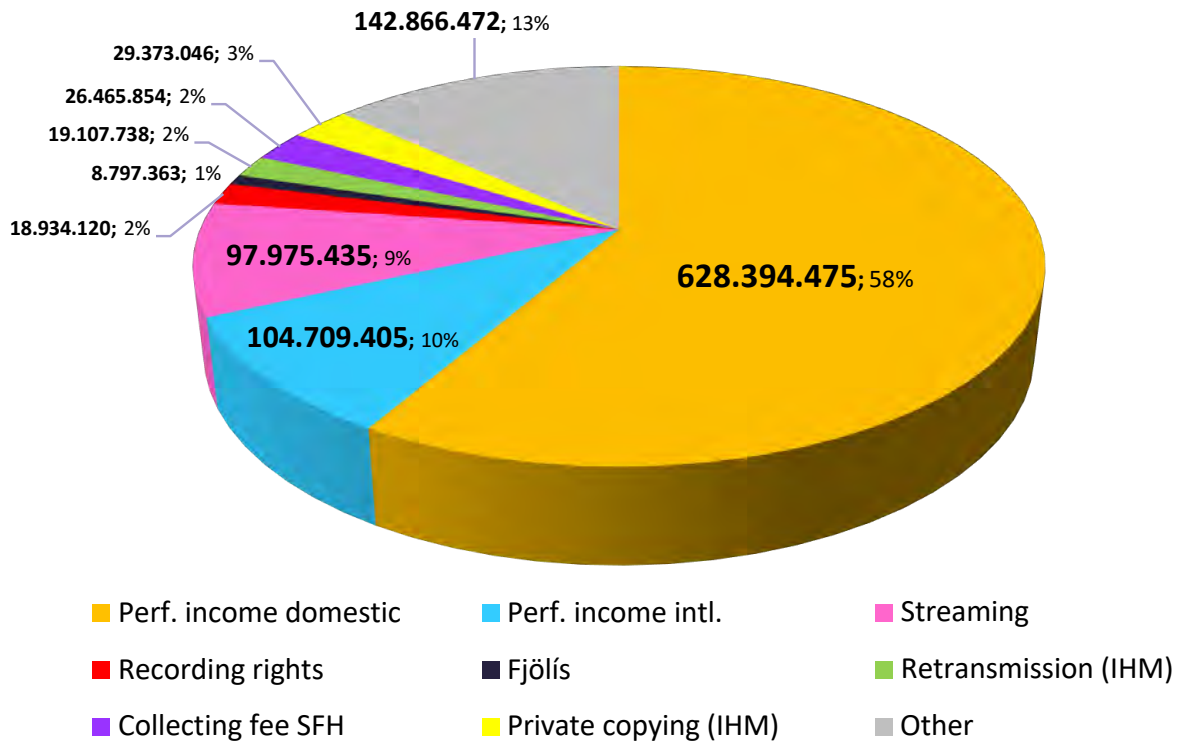


TOTAL DISTRIBUTION 2022



Division of Operating Income 2022

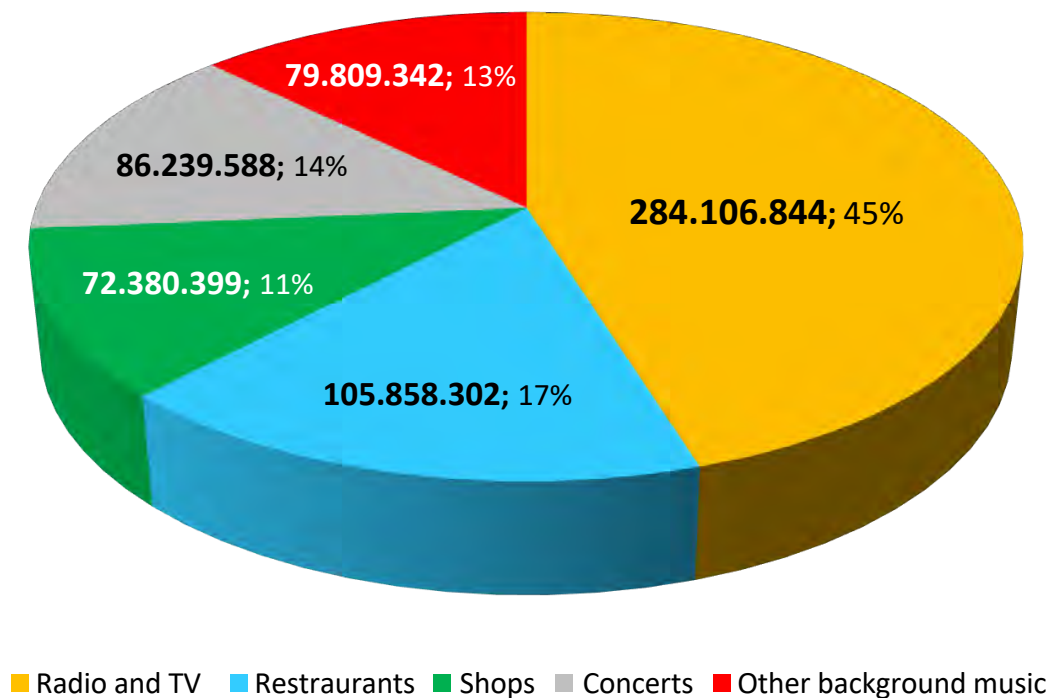
Total: 1.076.623.908



Fjölís: International Federation of Reproduction Rights Organisations
 SFH: Society of performers and record producers
 IHM: The Collecting Society

Division of Domestic Performance Income 2022

Total: 628.394.475



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 Annual Financial Statement of STEF which is available on the website of the society (www.stef.is).

Domestic Distributions 2022:		Deductible Items:
99.194.536	Radio and television (VOD incl.)	21,09% cost-income ratio & 10% cultural contribution
	Thereof defined as background income	
110.819.998	Other "background income"	21,09% cost-income ratio & 10% cultural contribution
29.721.000	Premières	0
76.648.636	Sale of recordings & streaming (NCB & NMP)	Of NCB: 0% / Of NMP: 10% cult. contrib. & 3% surcharge
22.154.343	Live performance (concerts & other perf.)	10% surcharge
89.925.774	International performance	3% surcharge
428.464.287	Total	

International sister societies collect copyright royalties for STEF, which remits them to STEF right holders. International performing rights income 2022 was divided between the countries as follows:

Foreign income according to countries 2022:

Argentina	90.945	Croatia	129.434
Austria	1.172.907	Latvia	207.654
Australia	1.808.995	Lithuania	131.260
USA	21.967.824	Malasia	35.534
Belgium	459.541	Norway	1.831.294
Brazil	1.824.026	New Zealand	362.514
UK	11.977.543	Portugal	267.349
Chile	275.071	Poland	1.211.282
Denmark	14.345.610	Romania	384.230
Estonia	214.805	Slovakia	135.885
Finland	1.835.327	Slovenia	81.501
Greece	291.881	Spain	12.174.923
The Netherlands	4.971.634	Montenegro	10.912
Hong Kong	212.310	Switzerland	5.903.509
Ireland	596.743	Sweden	6.833.061
Israel	776.641	Czech Republic	604.906
Italy	1.822.356	Thailand	23.013
Japan	3.747.104	Hungary	165.576
Canada	3.141.675	Various distributions	2.673.408
Columbia	9.222	Total:	104.709.405

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 royalties. 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 (Collecting Society) 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 the Culture Fund. This remuneration is specified in the Financial Statement as listed below:

Other income STEF received from servicers in 2022:	
29.373.046	Distribution from IHM regarding private copying
26.465.854	Collection Fees from SFH (Society of Performers and Record Producers)
Special Income of Music Education Funds 2022:	
8.797.363	Distribution from FJÖLÍS (Music Sheet Fund)
19.107.738	Distribution from IHM regarding cable radio (Recording Fund)
8.350.508	Special Income from RÚV (Composers' Fund of RUV and STEF)
3.000.000	Special Income from SÝN (Composers' Fund of Bylgjan and Stöð 2)
3.000.000	
36.530.764	Unpaid due to distributions
30.440.854	Unpaid withholding tax of distributions
212.533.948	Unpaid foreign distribution (STIM)
279.505.566	Total unpaid at the turn of the year

Information on Members and Registration 2022

At the end of the year 2022 the number of registered authors was 9.193.

New authors increased by 673 in the year 2022.

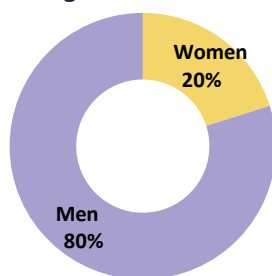
Number of recorded works at the end of the year was 109.476.

Registered performance in the year was 24.558 works.

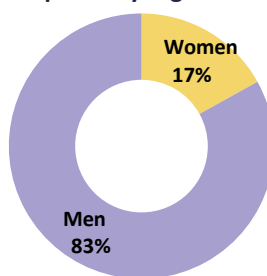
The number of authors who received payment for the performance of their works was 8.594.

Gender Division

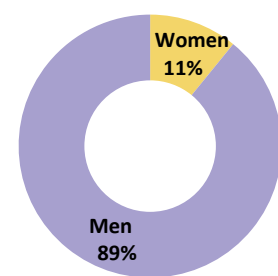
Registered members



Membership: Newly registered Works 2022



Distribution 2022



From STEF's Cultural Night Concert 2022

