



Management's Annual Report 2023-2024

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Managing Director's Address

I am extremely proud of the achievements of STEF's Board and staff during the past operating year. It was a record year for distributions, with a total of approximately ISK 810 million distributed to domestic and foreign rights holders. In addition, STEF awarded approximately ISK 47 million in grants during the year, including, for the first time, grants from the recently established STEF Major Works Fund. STEF's annual accounts also already show the impact of STEF's new agreement with RÚV, even though it has not yet been fully implemented.



At the same time as we celebrate these strong results, we cannot avoid warning of the storm clouds we see gathering in connection with the impact of artificial intelligence on the music sector. AI naturally presents opportunities for many people and could, for example, be used in the future to identify distribution errors and improve the quality of matching works with streamed performances.

The major issue, however, is the fact that “generative AI” is creating a market that competes with genuine human music creation and the works represented by STEF and its sister societies. If current trends continue without intervention, the revenues of copyright societies could fall by 30% over the next four years. In this connection, it is clear that copyrighted works have been used to train AI without authorization or compensation. The greatest task facing copyright societies is to secure some measure of justice for composers in response to this theft.

The view held by some—that the EU Directive on the Digital Single Market permits such use unless the author concerned has specifically stated otherwise—is rapidly losing ground, and most copyright scholars maintain that, when drafting the Directive, the legislature never had “generative AI” in mind, but only text and data mining for analytical purposes.

In addition, many are alarmed by the growing use by “generative AI” of personal characteristics such as the appearance and voice of particular individuals. In the undersigned's view, this is a clear breach of EU data-protection legislation, yet it has been allowed to continue without intervention.

Copyright societies must make swift decisions on how to respond, and policymakers must recognize this bleak outlook—not only by implementing the relevant EU instruments quickly and effectively, but also by thinking further ahead and taking the initiative in this area. It is worth bearing in mind that establishing legal ground rules for “generative AI” does not hinder technological progress; it merely creates a fair market in which composers can operate.

Reykjavík, 30 April 2024

With spring greetings,

Guðrún Björk Bjarnadóttir

Chair's Address

2024 was a good year for STEF's authors. Operations are performing remarkably well despite countless challenges, and we have succeeded in harnessing various new revenue streams and obtaining more from those already in place. The future of independent creation and copyright has not been this uncertain for a long time, with AI of varying musical ability looming all around us. It is therefore important to finalize agreements with key customers, streaming services, major corporations and government authorities that reflect changing times and unclear rules of play. STEF's management works day and night on this task and has conducted negotiations with great authority—bringing many of them to a conclusion.



We now celebrate the long-awaited opening of the new Iceland Music Centre. STEF has participated in its preparation from the outset and will continue to support it in word and deed. The need for such a centre has never been greater: to support and strengthen Icelandic music of every kind and character, both in making further inroads abroad and, no less importantly, here at home. Establishing such an institution in so short a time is no small achievement—and deserves thanks, not least for the increased cooperation within the music sector and greater understanding on the part of the authorities.

As the infrastructure grows stronger, it is painful to see major authors leave, choosing to step away in search of greener pastures and larger funds elsewhere. This is especially so because STEF is fully capable of serving high-earning authors on an equal footing with foreign organizations—and in fact with better and more personal service than is available elsewhere. It is therefore all the more gratifying to see authors return home. And they receive a warm welcome when they do.

We must not forget that STEF is run by us authors, for authors. Without intermediaries. Hopefully it will remain that way.

Reykjavík, 5 May 2024

Bragi Valdimar Skúlason

ACTIVITIES OF THE BOARD AND OFFICE MAY '23 TO MAY '24

This report presents STEF's principal projects and policy priorities during the above period, key operating figures, and an overview of STEF's activities and distributions. It also provides an overview of STEF's governance and information about those whom STEF has nominated to various committees and councils, as well as those who hold other positions of trust for the organization.

Composition of the STEF Board during the past operating year:

Bragi Valdimar Skúlason, Chair
Páll Ragnar Pálsson, Vice-Chair
Eyþór Gunnarsson
Hallur Ingólfsson
Sigríður Thorlacius
Sigurður Flosason
Þuríður Jónsdóttir

Alternate Board members were Snorri Helgason, Hafðís Bjarnadóttir, Samúel J. Samúelsson, Pétur S. Jónsson, Óttarr Proppé, Aðalsteinn Ásberg Sigurðsson and Hildigunnur Rúnarsdóttir.

STEF Council of Representatives

A new Council of Representatives was elected in March. The Council is STEF's highest governing body, elected by the general membership for two-year terms and comprising 21 representatives. The chairs of STEF's member associations (the Society of Icelandic Composers and the Association of Composers and Lyricists) are members ex officio, while 19 representatives are elected in a ballot held every other year. The Articles of Association stipulate that at least five elected representatives must come from each member association and at least five from among rights holders unaffiliated with either association.

A total of 32 candidacies were received, giving voters many options to consider. The STEF Board sincerely thanks all candidates. It is gratifying to know that many rights holders are willing to contribute their efforts and undertake positions of trust for the organization.

The new STEF Council of Representatives (2024–2026) is composed as follows:

Bergrún Snæbjörnsdóttir (TÍ)	Logi Pedro Stefánsson (FTT)
Bergur Þórisson (unaffiliated)	Magnús Jóhann Ragnarsson (unaffiliated)
Bragi Valdimar Skúlason (FTT) – Chair of FTT	María Huld Markan (TÍ)
Edda Borg Ólafsdóttir (unaffiliated)	Óttarr Proppé (unaffiliated)
Eðvarð Egilsson (FTT)	Páll Ragnar Pálsson (TÍ) – Chair of TÍ
Eyþór Gunnarsson (FTT)	Samúel J. Samúelsson (FTT)
Halldór Smárason (TÍ)	Sigurður Flosason (FTT)
Hallur Ingólfsson (FTT)	Sóley Stefánsdóttir (FTT)
Hildigunnur Rúnarsdóttir (TÍ)	Steinar Baldursson (unaffiliated)
Hildur Kristín Stefánsdóttir (FTT)	Þuríður Jónsdóttir (TÍ)
Hrafnkell Pálmarsson (FTT)	

At the Council's Annual General Meeting on 10 May, the new Council will elect its chair and subsequently a new STEF Board for the next two years.

Concert Distributions: Revised Rules, Higher Payments

The rules governing concert distributions have been amended. Modelled on the Swedish system, the change means that some of the money collected from concerts that cannot be matched to setlists because those lists were not submitted will be added to the distributions for concerts being paid in each distribution cycle—that is, concerts for which setlists have been submitted, this being a fundamental prerequisite for making a distribution.

Until now, these “orphaned” funds have been added to the radio and television distributions in each year’s main distribution.

This makes it possible to distribute a higher amount for each setlist. It is also hoped that this will encourage concert organisers to submit setlists.

The STEF Board decided that the increase would be 10% above the amount that would otherwise have been distributed for the concert concerned. It is worth noting that the administration fee for concert distributions has likewise been 10%, so this increase can be viewed as effectively cancelling out the administration fee.



Updated Agreement with RÚV



Following a lengthy negotiation process, a new agreement between STEF and RÚV was finally renewed and signed in September, providing for substantial increases in payments to STEF. The previous agreement dated back to 1987, so it was timely to adapt its terms to the various technological changes of recent years brought about by digital distribution and changing patterns of use across new media. A new section on synchronising music with visual content was also added, significantly clarifying the applicable rules, as discussed below.

In the accompanying photograph, **Guðrún Björk**, Managing Director of STEF, and Director General of RÚV **Stefán Eiríksson** shake hands on the agreement.

Music Synchronisation

For the first time, the new agreement between STEF and RÚV on the use of music across RÚV’s media expressly addresses the synchronisation of music—sometimes referred to as soundtracking—in RÚV’s own productions for use in its own programming and media. Synchronisation means combining music with visual material.

The general rule is that synchronisation is not permitted without the rights holders’ consent. However, where a television broadcaster’s own production is used on its own media, it is sufficient for the broadcaster

to have an agreement with STEF, since such an agreement includes synchronisation licences (agreements of this kind are sometimes called a “blanket licence” in English).

Independent content producers, however, must always obtain permission from the rights holders. It should be remembered that the rights holders include both the composers and the publishers of the sound recording (that is, where a previously released recording is to be used).

Over the years, a considerable number of cases have arisen in which it was unclear whether particular content should be regarded as RÚV’s own production or as the responsibility of an independent producer.

The new agreement makes clear that where RÚV purchases exhibition rights from an independent producer, the production is not considered RÚV’s own unless RÚV has exclusive exhibition rights to the content when the agreement is made or owns 50% or more of the production.

If content qualifies as an in-house production but is later sold or distributed elsewhere, the licence under the agreement with STEF no longer applies, and the producer concerned must obtain new synchronisation licences from the rights holders.

Television broadcasters are then responsible for submitting to STEF a report covering all music synchronisation in their own productions (a cue sheet).

There are, however, certain exceptions to the general synchronisation licence included in STEF’s agreement. It does not extend to RÚV’s production of dramatic scripted content, nor to theme songs for series. RÚV must also respect authors’ moral rights.

Staff Matters – Maggi Bids Farewell

22 December was **Magnús Guðmundsson**’s final day at work. This marked not only a milestone in his life, but also in STEF’s history, as Maggi had worked here since 1984—nearly 40 years!

He is the father of the organisation’s registration and distribution system. He was originally hired to transfer the system from card indexes to a digital database and subsequently took part in maintaining and developing it. Naturally, it will continue to evolve, but it remains directly and indirectly founded on the work that Maggi led and managed for many years.

His colleagues bade a reluctant farewell to this knowledgeable and honourable professional, who has always been exceptionally popular in the office and also among the many authors who have benefited from his assistance and expertise over the years.



‘Wind in the Sails’ Continues

In 2020, STEF launched a pilot project entitled ‘Wind in the Sails’, aimed at helping less experienced women songwriters and people of minority gender identities to turn their ideas into reality and bring them to public attention, with the support of mentors. The project was considered such a success that it was decided to repeat it every two years.

Last year, STEF's Equality Committee selected three participants from the many applications, and last autumn the chosen participants gathered for a kind of harvest celebration, where those present listened to songs they had created. The gathering took place at the home of Haraldur Þorleifsson (known for the 'Ramp Up Iceland' initiative), who supported the project financially. We extend our warmest thanks to him for his generosity.

This year's participants were Krístrún Steingrímsdóttir, Guðrún Ólafsdóttir (RÚN) and Sígga Ózk. Their comments appear below. All three have now released songs, some of which are already being heard on the airwaves. This is what they had to say about the project:

'A fantastic initiative! I had the opportunity to meet and work with incredibly talented and wonderful people. A very inspiring and educational process. Thank you so much!' — Krístrún

'The project is excellent preparation for young musicians. The time spent with the mentors proved invaluable, and it was also extremely rewarding to get to know the other participants, who in my case were two absolutely brilliant women musicians.' — Guðrún (RÚN)

'I am so grateful for this project and everything that came with it. I am excited about what lies ahead for me, Guðrún and Krístrún, and about continuing everything that took place during the project. I am also excited about the future of women in music, because the group keeps growing, and I look forward to seeing the next group take part in this project. Go girls!' — Sígga Ózk



First Grants from the Major Works Fund

In June 2023, grants were awarded for the first time from STEF's newly established Major Works Fund, whose purpose is to support larger projects. The fund's rules state, among other things: 'Larger projects include the original creation of large-scale works; cohesive music projects such as composing music and writing lyrics for an entire album; and arranging larger works or a complete repertoire on a broader and more ambitious scale.'

The fund's first grant recipients are Sara Mjöll Magnúsdóttir and Sigurður Sævarsson.

Spotify Agreement Renewed

Last autumn, STEF renewed its agreement with the music service Spotify for the next two years. The new agreement secures slightly better terms for authors, particularly in the home market (which, in addition to Iceland, comprises Norway, Denmark, Finland and Sweden). Numerous countries in Africa and the Middle East have now also been added, in addition to the other countries covered by the previous agreement; the agreement now covers 87 countries in total. This should mean that payments for Spotify streams in these countries reach STEF more quickly and more reliably than before.

EXTERNAL ENVIRONMENT

Iceland Music Centre Becomes a Reality

The inaugural meeting of the Iceland Music Centre was held at Harpa on 15 August. The Centre's first board was introduced there: Einar Bárðarson (Chair), Sólrún Sumarliðadóttir, Ásmundur Jónsson, Guðrún Björk Bjarnadóttir, Gunnar Hrafnsson, Páll Ragnar Pálsson and Sigrún Grendal.

Jakob Frímann Magnússon, who headed the working group responsible for preparing the Centre's establishment, addressed the meeting. **Lilja Dögg Alfreðsdóttir**, Minister of Culture and Business Affairs, also spoke, saying among other things:

‘This is a day of great joy and an exceptionally important milestone for music and musicians in Iceland. This step is long overdue and will strengthen the music sector for the future. The Iceland Music Centre can become one of the cornerstones of musical life and the music industry, and it is my hope and belief that Iceland's music scene will flourish as never before.’

The role of the Iceland Music Centre is to provide a forum for cooperation among music stakeholders in Iceland; offer education and support to musicians and music-related businesses; support the development of the music industry; promote Icelandic music and musicians abroad; and provide sheet music for Icelandic compositions. The Centre is also entrusted with administering and operating the new Music Fund, which combines the former Music Fund, Recording Fund and Music Export Fund.

The Iceland Music Centre was formally opened on 23 April and is based at Austurstræti 5. Its Managing Director is María Reynisdóttir.



MISCELLANEOUS OPERATIONAL ISSUES

Friðrik Karlsson Receives the 2024 ‘Langspilið’ Award

The 2024 ‘Langspilið’ was presented recently. This special STEF award is given annually to an author whom the Board considers to have excelled and achieved noteworthy success during the preceding year. This year’s recipient is Friðrik Karlsson.

Friðrik has enjoyed a long and successful career. He took his first steps as a teenager playing in dance bands, but was drawn early on to jazz and funk and became one of the founders of Mezzoforte, which achieved international success in the mid-1980s and can rightly be called a pioneer in bringing Icelandic music to the world.

Alongside performing in Iceland and abroad, Friðrik has in recent years devoted considerable attention to so-called ‘lifestyle music’, generally associated with meditation and wellbeing in the broadest sense. It is particularly in this field that his profile has risen greatly and his success increased in recent times.

In the accompanying photograph, Friðrik proudly holds his langspil award, while the Managing Director holds his portrait for the special honour wall dedicated to Langspilið recipients at STEF’s headquarters.



Pálmi Ragnar Receives the 2023 ‘Langspilið’ Award

Last year, the ‘Langspilið’ was presented somewhat later than usual, and news of it did not make it into the previous annual report because the recipient was abroad—as might be expected of the songwriter behind Iceland’s Eurovision entry, performed by Diljá Pétursdóttir.

The STEF Board was unanimous that Pálmi Ragnar Ásgeirsson richly deserved the honour. In recent years, he has made a major impact as a songwriter and producer and has been involved in many of the country’s most popular songs. He has been diligent in discovering promising musicians, developing their talents with them and helping them flourish. Glowíe, Friðrik Dór and Bríet are among the names that could be mentioned in this connection, in addition to the aforementioned Diljá.



Icelandic Music Day 2023

As usual, Icelandic Music Day was celebrated on 1 December. To mark the occasion, Icelandic radio stations played mostly—and some exclusively—Icelandic music throughout the day.

Preschool and primary-school pupils across the country prepared for the day by rehearsing the song of the day, *Það vantar spýtur*, by Ólafur H. Simonarson. Together, the schools attempted to set an Icelandic record for choral singing, and they probably succeeded.



A celebratory programme was held at Harpa, where a variety of awards were presented:

- The year's Encouragement Award went to Korda Samfónía for using music and media creatively to empower people to participate actively in society.
- **Þjóðhátíð Vestmannaeyja received this year's 'Window' award for maintaining an ambitious concert programme and fostering innovation through an annual 'Þjóðhátíð song'.**
- **Lilja Dögg Alfreðsdóttir received the year's Innovation Award for advocating and implementing legislation on music and Iceland's first official music policy, as well as playing a major role in establishing the Iceland Music Centre.**
- The Export Award went to Iceland Sync for promoting Icelandic music internationally, including by bringing together Icelandic and multinational songwriters, producers and publishers.
- This year's honorary award, 'The Little Bird', went to the website Glatkistan, which for many years has compiled information and historical anecdotes about Icelandic musicians past and present. The website is the brainchild and individual initiative of Helgi Jónsson, a selfless and passionate music enthusiast.
- Finally, Rás 2 received a special award on the station's 40th anniversary, since, as is well known, it has always been a staunch supporter of Icelandic music.

Icelandic Music Awards 2024

The Icelandic Music Awards (ÍTV) were presented at Harpa on 12 March. Submissions increased year on year, which may be interpreted as a sign of growing vitality in Icelandic music. The songs of the year were *Skína* (Patrik and Luigi) and *Wandering Beings* (Guðmundur Pétursson). Laufey Lín, Kristjana Stefánsdóttir and Jóhann Kristinsson received awards for 'Vocal Performance of the Year'. Vigdís



Haflíðadóttir wrote the ‘Lyrics of the Year’ (Hún ógnar mér). Kári Egilsson is the ‘Brightest Hope’, and the honorary award went to organist and choir director Hörður Áskelsson. The ‘Performers of the Year’, each in their respective category, were Sæunn Þorsteinsdóttir, Laufey Lín, Andrés Þór Gunnlaugsson and *Mugison*, who is shown in the accompanying photograph holding his trophy.

A list of this year’s award recipients can be found on the website iston.is.

Eðvarð Egilsson Receives the ‘Harpa’, The Nordic Film Composers Award 2024

In February, Eðvarð Egilsson received the HARPA Nordic Film Composers Award, which in recent years has been presented in Berlin alongside the Berlinale festival. Eðvarð received the award for his score for the film *Smoke Sauna Sisterhood*, directed by Anna Hints. This is the fifth time an Icelandic composer has won this coveted award, which was first presented in 2010.

Eðvarð created the music in close collaboration with the director, among others, and the human voice plays a prominent role—including the director’s own voice, as she is a member of the Estonian vocal trio EETER, which performs various powerful themes by Eðvarð throughout the film. We at STEF are naturally extremely proud of this major recognition and warmly congratulate Eðvarð and his team.



On this occasion, Guðrún Björk Bjarnadóttir, Managing Director of STEF, wrote:

It is with great pleasure and pride that I congratulate Eðvarð Egilsson on receiving the 2024 HARPA Award.

I find it almost incredible that this is the fifth time the small nation of Iceland has received this prestigious award. Some believe that one reason for the success of Icelandic music is precisely the country’s small size, which gives rise to a close-knit and supportive arts community. I am sure there is much truth in that.

I also firmly believe that investment in the arts and culture, together with public support for music education over the years and improvements to the music industry's infrastructure more recently, has played a part—probably a larger one than people realise.

That said, there is of course no doubt that the principal reason for this award is simply Eðvarð's work and talent, and I believe he has a brilliant career as a film composer ahead of him.

EVENTS, WORK SHOPS & OTHER FUNCTIONS

Time Flies in the Age of Artificial Intelligence Symposium on AI and Copyright

Artificial intelligence has been under discussion for years, with regular reports of advances and its growing prevalence. Artistic creation in particular has recently been in the spotlight as technology has progressed and the use of AI has increased rapidly across various creative fields.

Alongside this, difficult questions have naturally arisen, especially concerning the use and copyright status of products and works created with the assistance or mediation of AI, not least in view of the works of art used to ‘train’ AI.

On 29 September last year, STEF—together with several other organisations—held a symposium on artificial intelligence and copyright at Harpa. It featured thought-provoking lectures followed by a round-table discussion with experts in technology, academia, the arts and law.

The aim of the symposium was not to disparage or reject artificial intelligence, but to raise questions and learn about its possible future impact on the creative industries. The event was considered a great success and attendance was so strong that it had to be moved to a larger hall than originally planned.

There was lively discussion of uses involving the ‘training’ of artificial intelligence, an issue that has recently been under active consideration, including in the EU legislative arena, where provisions on text and data mining have been enacted.

Following the symposium, STEF issued a resolution consistent with those of its Nordic sister organisations, aimed at ensuring that members’ copyright-protected material does not become part of AI development unless their unequivocal consent has been obtained.

Information about STEF’s position and its conditions for text and data mining is available at stef.is, where a recording of the symposium can also be viewed.



SyncCamp '24 in Poland

Next month, two authors representing STEF will attend the SyncCamp songwriting camp, which this time will be held in the spring in the town of Zakopane, Poland. This is the fourth time STEF members have had the opportunity to attend the camp.

The focus is music for film and advertising, with music supervisors advising participants and connecting the music with various projects. Emphasis is placed on teamwork and networking. As before, the camp is organised by ZAIKS, STEF’s sister organisation in Poland, and Music Export Poland, which provide participation, accommodation and meals.

The most recent SyncCamp was held in November, when Gunnar Ingi Guðmundsson and Kristín Björk Kristjánsdóttir (Kira Kira) represented STEF at the event in Sopot. Gunnar Ingi subsequently posted an account on his Facebook page, which included the following:

‘This week has been fantastic and highly educational. We have met so many wonderful songwriters and composers—wonderful people from various countries. Those friendships will last a lifetime.’

Iceland Sync & Daytripper Songwriting Camp

Last March, Iceland Sync held a songwriting camp in partnership with the Canadian music publisher Daytripper. It brought together an international group of 18 songwriters and producers. Working in several groups and in collaboration with Daytripper’s representatives, they wrote and arranged songs with a view to promoting them internationally.

Camps of this kind offer an ideal opportunity to meet, connect and work with a diverse group of talented people from different backgrounds. The camp was held at Greenhouse Studios in Breiðholt. STEF had one representative there, Halldór Gunnars Pálsson, who was selected from a sizeable group of applicants.

Lyric Writing 101 (and Beyond)

In recent years, STEF members have been offered the opportunity to participate in various songwriting courses. In February, it was time to offer a course in writing song lyrics. The course ran over two evenings and was held at STEF’s premises. The instructor was Kristján Hreinsson, who over the years has written and published a vast number of well-known song lyrics and poems, as well as numerous books. Kristján has regularly taught courses on the craft and treatment of text at the University of Iceland, and few can be said to possess more experience in this field. The course was intended both for inexperienced writers and for those with experience who wished to expand their knowledge.

Less Hassle / More Money: Tax Information

On a stormy evening in November, STEF held an information session on taxation for authors, at which Margrét Á. Sigurðardóttir, a PwC specialist in tax law, discussed, among other things, the advantages and disadvantages of receiving copyright income through a company or as an individual.

Margrét also discussed taxation and tax residency. PwC prepared an opinion on the subject for STEF, examining the tax advantages of a rights holder being a member of STEF rather than a foreign organisation. In short, the conclusion is that authors resident in Iceland enjoy substantial tax advantages by being members of STEF.

Condensed summary of the opinion’s main points:

- STEF handles payment of capital income tax on income distributed to authors. Thus, when an author receives payment from STEF, the 22% capital income tax has already been deducted.
- On behalf of authors, STEF obtains certificates of tax liability to prevent double taxation in the country where the copyright income originates, in countries with which Iceland has double-taxation

agreements. If an author is NOT a member of STEF but is nevertheless resident in Iceland, the author must personally handle everything relating to the tax payment: obtaining a certificate of tax liability, declaring the income on a tax return and paying capital income tax up to a year after the income was earned.

- If tax has been withheld from the income abroad—as is almost certain to have occurred—the person concerned must specifically request a deduction in Iceland corresponding to the tax that would have been payable on the income here (that is, corresponding to the 22% capital income tax). If the author has nevertheless paid more tax abroad than would have been payable in Iceland as a STEF member—which is also very likely, since Iceland is the only country offering the tax advantage of paying 22% capital income tax instead of conventional income tax—the author must personally contact the foreign tax authorities and request reimbursement of the difference.

Course in Creative Production

Last autumn, STEF offered members a course in creative production under the guidance of Zöe Erwin and Elín Ey, who in recent years have earned a strong reputation as arrangers, songwriters and performers (Systur and others).

The course covered various possibilities offered by the Logic music software, including numerous useful plug-ins, effects and more. Guidance was also provided in songwriting and lyric writing, vocal arrangement, audio editing and mixing.

The STEF ‘Gathering Concert’ on Culture Night

Culture Night 2023 was an especially fine day, with tens of thousands of people strolling through the city centre during the annual festivities. Many made their way to STEF’s back garden, where they enjoyed songs performed by **Eyfi Kristján**s, **Svala Björgvins**, **Teitur Magnússon** and **Kristjana Stefánsdóttir**.



AFFILIATED ORGANISATIONS – COMMITTEES AND COUNCILS

- STEF is a member of IHM (the Rights Holders' Collection Centre), an association representing the interests of 11 copyright organisations that collects and distributes levies for private copying and television retransmission. **Guðrún Björk Bjarnadóttir** and **Hjörtur Ingvi Jóhannsson** represent STEF on IHM's board. **Bragi Valdimar Skúlason** also serves on IHM's representative council.
- STEF is a member of Fjölís, an association representing the interests of seven copyright organisations and acting on behalf of rights holders whose copyright-protected works are used through photocopying, scanning, digital reproduction or other comparable reproduction. **Páll Ragnar Pálsson** represents STEF on the board of Fjölís. **Guðrún Björk Bjarnadóttir** serves on Fjölís's representative council, together with the appointed board member.
- STEF is a member of **Samtónn**, a collaborative forum for STEF and SFH (the Association of Performers and Record Producers). Samtónn's principal projects are organising the *Icelandic Music Awards (ÍTV)* and *Icelandic Music Day (DÍT)*. STEF's representatives on the Samtónn board are **Guðrún Björk Bjarnadóttir**, **Páll Ragnar Pálsson** and **Bragi Valdimar Skúlason**. The Managing Director of ÍTV and DÍT is **Kristján Freyr Halldórsson**.
- **Guðrún Björk Bjarnadóttir** represents STEF on the board of the *Iceland Music Centre*.
- The board of STEF's *Recording Fund* comprises **Aðalsteinn Ásberg Sigurðsson**, **Oliver Kentish**, **Ragnheiður Gröndal** and **Ragna Kjartansdóttir**.
- The board of STEF's *Sheet Music Fund* comprises **Tryggvi M. Baldvinsson**, **Hildur Kristín Stefánsdóttir**, **Hafðís Bjarnadóttir** and **Úlfar Ingi Haraldsson**.
- The board of STEF's *Major Works Fund* comprises **Elísabet Indra Ragnarsdóttir**, **Gunnhildur Einarsdóttir**, **Óttarr Proppé** and **Hallur Ingólfsson**, together with **Guðrún Björk Bjarnadóttir**.
- The board of STEF's *Travel Fund* comprises **Lárus Grímsson** and **Rósa Birgitta Ísfeld**.
- **Védís Hervör Árnadóttir** and **Tryggvi M. Baldvinsson** represent STEF on the board of the *RÚV and STEF Composers' Fund*; the Director General of RÚV also serves on the board. The alternates are **Hallur Ingólfsson** and **Þórunn Ósk Marinósdóttir**.
- **Bragi Valdimar Skúlason** and **Páll Ragnar Pálsson** represent STEF on the board of the *Bylgjan and Stöð 2 Composers' Fund*; the Chief Executive Officer of Sýn also serves on the board.
- **Hilmar Örn Agnarsson** represents STEF on the board of *The Church and STEF Music Fund*, with **Hildigunnur Rúnarsdóttir** as his alternate.
- **Karólína Eiríksdóttir** represents STEF on the *Copyright Council*, with **Óttarr Proppé** as alternate.
- The Icelandic jury for *The HARPA, Nordic Film Composers Award* comprises **Pétur S. Jónsson**, **Hilmar Oddsson**, **Margrét Örnólfsson**, **Hilmar Örn Hilmarsson** and **Guðrún Björk Bjarnadóttir**. STEF administers these awards on behalf of Iceland.
- STEF's assessors are **Hallur Ingólfsson**, **Ingi Garðar Erlendsson** and **Eyþór Gunnarsson**.
- Committee on *Religious Ceremonies for Distribution Purposes*: **Óskar Einarsson**, **Regína Ósk Óskarsdóttir** and **Þórir Úlfarsson**.
- *STEF's Equality Committee* comprises **Sóley Stefánsdóttir**, **Snorri Helgason**, **Páll Ragnar Pálsson** and **Eliza Newman**.

STEF's CULTURAL FUND

STEF supports domestic cultural activities in various ways through the STEF Cultural Fund. Applications cannot be made to the fund; instead, it supports standing projects as determined by the STEF Board from time to time. Under STEF's Articles of Association, official charges and then all operating expenses must first be paid from the funds collected by the organisation. Of the domestic income remaining thereafter, up to 10% is to be paid into the STEF Cultural Fund, as determined in greater detail by the annual general meeting of the organisation's representative council. By decision of that annual general meeting, funds may be allocated each year from the fund to the activities of STEF's member associations. The associations are to have equal entitlement to allocations, provided that the funds are used for comparable activities. All disbursements from the Cultural Fund must be transparent and itemised in the organisation's annual accounts, and the member associations must provide a separate account of how allocated funds were used.

The contribution to the Cultural Fund amounted to ISK 42 million in 2023. This was an increase of ISK 7 million from the previous year, after the amount had remained unchanged for several years. Of the cultural contribution, ISK 7,058,004 was allocated to each member association: the Association of Composers and Lyricists (FTT) and the Society of Icelandic Composers (TÍ).

Their reports on the use of the contribution can be found here in this report.

A breakdown of the use of funds from the Cultural Fund appears in the annual accounts and is as follows:

STEF's Cultural Fund:	2023	2022
Balance at the beginning of the year	4.528.281	7.090.028
STEF contribution	42.000.000	35.000.000
Available for allocation	46.528.281	42.090.028
Contribution to TÍ	7.058.004	7.058.004
Contribution to FTT	7.058.004	7.058.004
Contribution for Samtónn	1.889.095	649.557
Contribution for Icelandic Music Day	1.287.649	1.698.092
Contributions for the Icelandic Music Awards	6.038.150	4.409.063
Contribution to the Icelandic Music Export Fund	0	1.500.000
Contribution for ÚTÓN	1.737.522	2.000.000
Contribution to the Recording Fund	6.000.000	6.000.000
Board grants	1.800.000	3.000.000
Contribution to the Major Works Fund	4.340.000	0
Other contributions and cost sharing	7.613.438	4.189.027
Allocated during the year:	44.821.862	37.561.747
Balance at year-end:	1.706.419	4.528.281

Allocation of STEF's Cultural Contribution to the Member Associations

Society of Composers and Lyricists (FTT) Report for 2023

FTT celebrated its 40th anniversary last year. To mark the occasion, a major anniversary concert was held at Gamla Bíó instead of the traditional garden party. Works by Icelandic songwriters were performed, featuring *Úlfur skemmtari Eldjárni*, *GDRN*, *Magnús Jóhann*, *Salóme Katrín*, *Flott*, and *Sigga Beinteins*. Former chair of the association, *Jakob Frímann Magnússon*, was awarded FTT's honorary medal on this occasion.

Special album presentations were held at *12 Tónar* on Skólavörðustígur. These were exceptionally informative and entertaining talks by various experts connected with the works in question. The albums discussed were *Langspil* by *Jóhann G. Jóhannsson*, *Debut* by *Björk Guðmundsdóttir*, *Jukkið* by *Prins Póló*, and finally the two albums *Polydistortion* and *This Is Normal* by *GusGus*.

The FTT Songwriting Award was presented at *Músiktilraunir* for the first time in 2023, when it went to the band *Dóra og döðlurnar*. Its purpose is to encourage young songwriters while also giving the association an opportunity to engage more closely with and support the grassroots of Icelandic musical life.

In addition, the association provided education, advice, and assistance to songwriters. Meetings were also held with FTT's sister associations in the Nordic countries through the NPU, this time in Copenhagen. For the first time, songwriter representatives from both the Faroe Islands and Greenland attended.

A breakdown of operating expenses is shown below, as set out in FTT's annual financial statements:

Cultural contribution 2023:	7.058.004	Expenses:	
		Salaries and related expenses	5.893.101
		Meeting and business expenses	466.078
		Travel expenses	297.516
		Association and membership fees	264.594
		Expensed tools and equipment	213.796
		Telephone and office expenses	141.658
		Website operation and computer equipment	313.297
		Accounting assistance	310.000
		Other expenses	56.548
		Total:	7.956.588

Icelandic Composers Society (TÍ)

Report for 2023

STEF's cultural contribution to the Icelandic Composers Society was used for the association's regular operations, including executive management, board remuneration, travel, office expenses, bookkeeping, and preparation of the annual financial statements.

Association activities

Gunnhildur Einarsdóttir is employed at 20% as the association's executive director, and this August she added another 20% for managing the Dark Music Days festival. It is highly efficient for the association to have the same person handle both roles because of the strong synergies between them. We also changed the festival's operating model: instead of having a single artistic director, we established an artistic council for Dark Music Days. The council consists of Þráinn Hjálmarsson on behalf of the association, Björg Brjánsdóttir on behalf of performers, and Ásmundur Jónsson as a representative of the music community. Halldór Smáráson serves as the board's observer, and Signý Leifsdóttir represents the Iceland Music Centre. The purpose of establishing the artistic council is to bring more and more diverse voices into the planning of the festival while also demonstrating operational efficiency.

Dark Music Days

Dark Music Days took place at the end of January and received an exceptionally positive response. Attendance was extremely strong; most concerts were held before full or nearly full houses, and audience reception was positive. As in previous years, approximately 80% of the works on the programme were by Icelandic composers, including both world premieres and other new works. Ticket sales doubled from the previous year, and the final accounts showed a profit.

International cooperation

The Icelandic Composers Society is a member of the Nordic Council of Composers (NKR), which, among other activities, organizes the Nordic Music Days festival. The festival rotates among the member countries, but this year it will be held in Glasgow—the first time it has taken place outside the Nordic countries. The possibility of involving additional partner countries, such as the Baltic states, has been discussed, but no decision has been made. During the past operating year, the chair travelled twice to meet the other NKR chairs, first in the Faroe Islands and then in Stockholm, in addition to meeting them online.

The chair also attended ECSA meetings in London and Brussels together with representatives of FTT.

The association is also a member of the ISCM World New Music Days festival, which is held in one of the member countries each year. This year the festival took place in Johannesburg, South Africa, and the chair was unable to attend.

Other activities

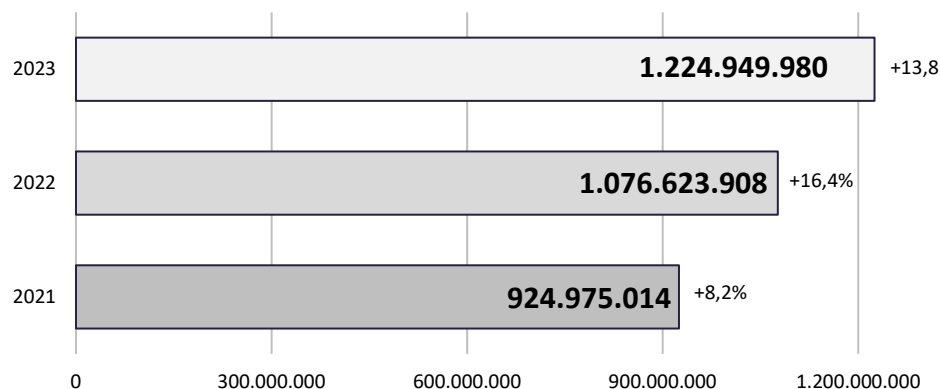
The chair participated in a working group on establishing the Iceland Music Centre and now serves on its board. He also took part in the work of the preparatory group for establishing a national opera. The chair attends meetings of the Federation of Icelandic Artists.

On behalf of the *Icelandic Composers Society (TÍ)*

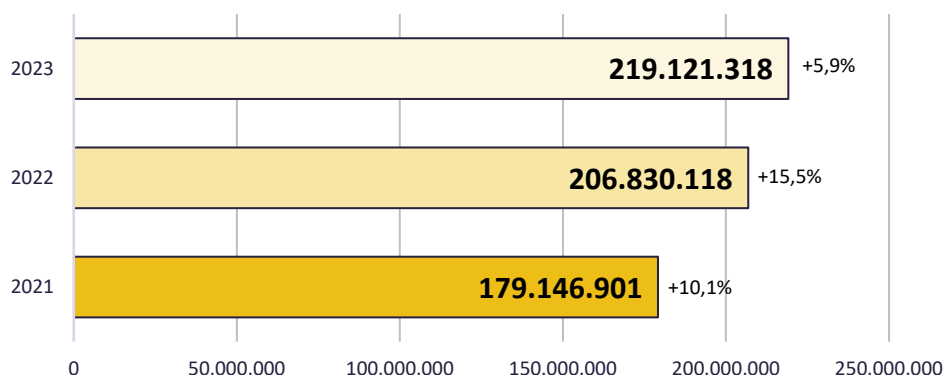
Páll Ragnar Pálsson, Chair

A FEW KEY FIGURES FORM THE FINANCIAL STATEMENT OF STEF 2023

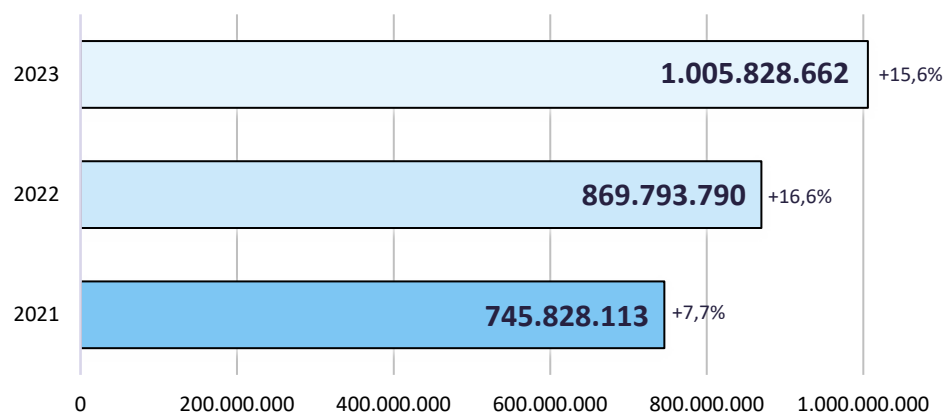
OPERATING INCOME



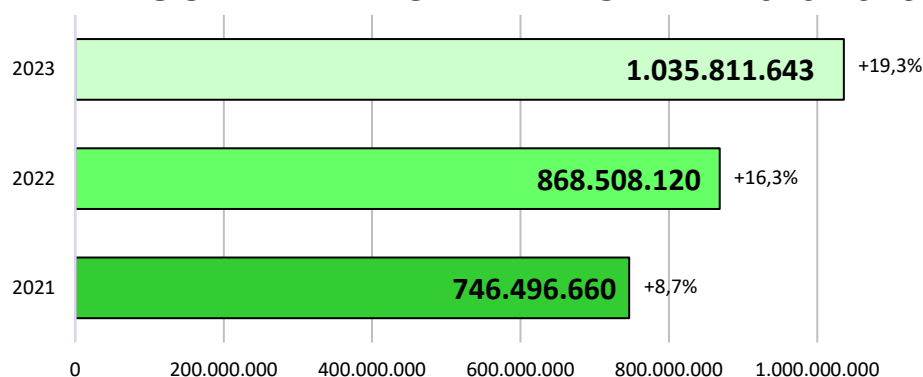
OPERATING EXPENSES



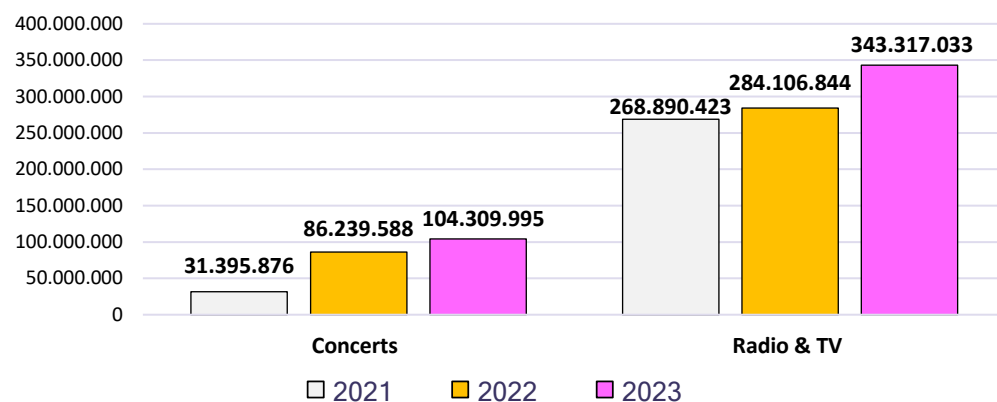
NET INCOME OF THE YEAR 2023



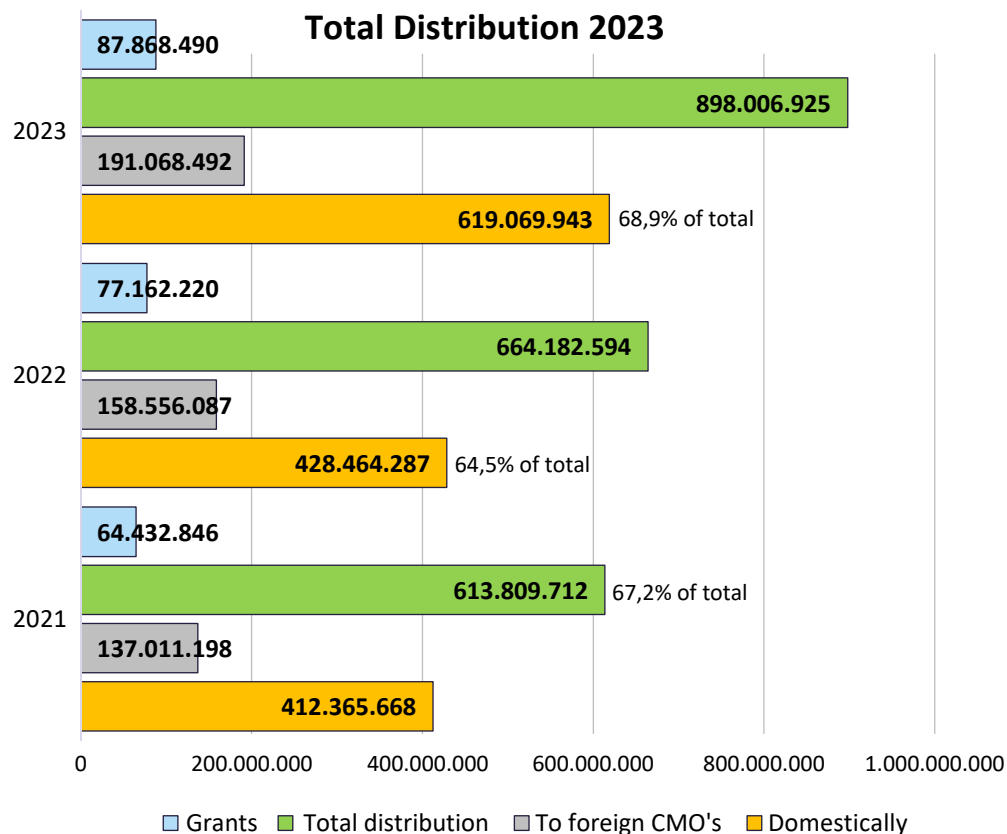
NET INCOME AFTER OPERATING EXPENSES 2023



Revenue trends: Concerts / Radio and television

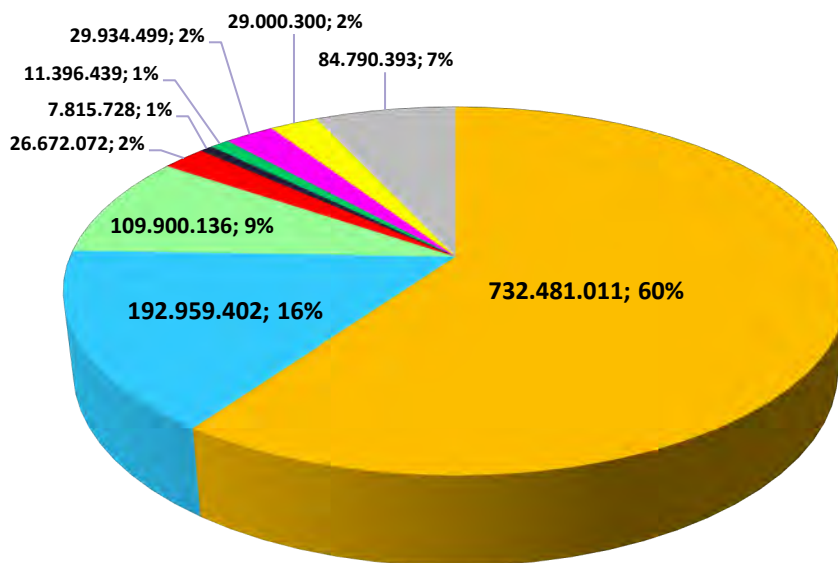


Total Distribution 2023



Division of Operating Income 2023

Total: 1.224.949.980

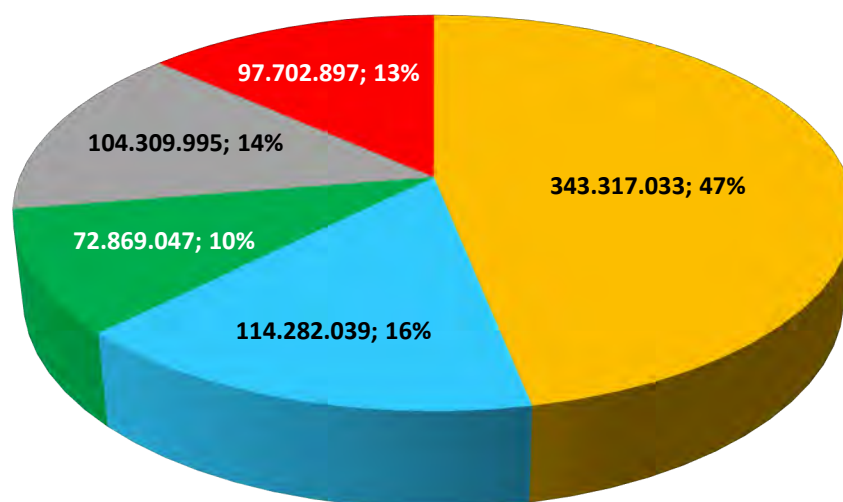


- Perf. income domestic
- Perf. income intl.
- Streaming
- Recording rights
- Fjölís
- Retransmission (IHM)
- Collecting fee SFH
- Private copying (IHM)

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

Division of Domestic Income 2023

Total: 732.481.011



- Radio & TV
- Restaurants
- Shops
- Concerts
- Other background music

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 2023:		Deductible Items:
113.773.750	Radio and television (VOD incl.)	21,09% cost-income ratio & 10% cultural contribution
	Thereof defined as background income	
132.740.689	Other “background income”	21,09% cost-income ratio & 10% cultural contribution
26.006.000	Premières	0
97.623.154	Sale of sound recordings and streaming (NCB & NMP)	Of NCB: 0% / Of NMP: 10% cult. contrib. & 3% surcharge
31.387.169	Live performance (concerts & other perf.)	10% surcharge
217.539.181	International performance	3% surcharge
619.069.943	Total	

International sister societies collect copyright royalties for STEF, which remits them to STEF right holders. International performing rights income 2023 was divided between the countries as follows:

Foreign income according to countries 2023:

Austria	1.773.794	Croatia	151.815
Australia	1.927.150	Latvia	220.235
USA	31.053.070	Lithuania	106.285
Belgium	4.879.481	Norway	3.209.005
Brazil	1.264.334	New Zealand	308.567
UK	22.238.455	Portugal	266.422
Chile	345.509	Poland	1.653.925
Denmark	13.510.730	Romania	418.655
Estonia	406.669	Slovakia	305.712
Finland	6.881.131	Spain	4.752.898
France	24.682.710	Switzerland	3.731.915
The Netherlands	5.263.872	Sweden	7.569.106
Hong Kong	271.362	Taiwan	144.067
Ireland	431.686	Czech Republic	524.651
Israel	605.187	Hungary	406.503
Italy	6.833.368	Germany	37.434.573
Japan	4.088.936	Various distributions	758.579
Canada	4.539.045	Total:	192.959.402

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:

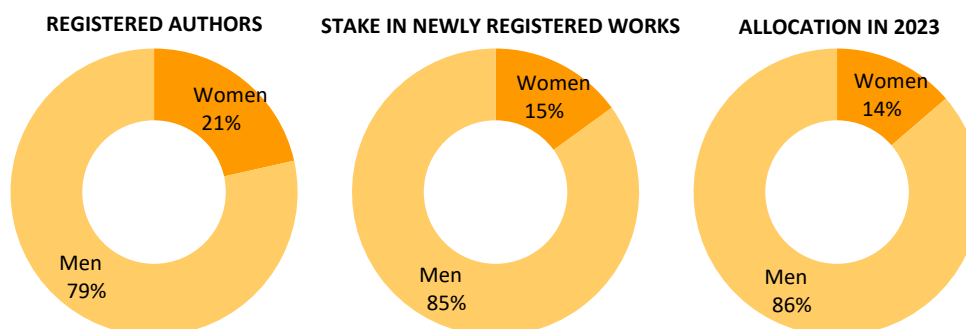
Other income STEF received from servicers in 2023:

29.000.300	Distribution from IHM regarding private copying
29.934.499	Collection Fees from SFH (Society of Performers and Record Producers)
Special Income of Music Education Funds:	
7.815.728	Distribution from FJÖLÍS (Music Sheet Fund)
11.396.439	Distribution from IHM regarding cable radio (Recording Fund)
13.576.628	Special Income from RÚV (Composers' Fund of RUV & STEF)
3.000.000	Special Income from SÝN (Composers' Fund of Bylgjan & Stöð 2)
3.000.000	Special Income, contribution of STEF (Composers' Fund Bylgjan & Stöð 2)
Unpaid distrib. at the turn of 2023-24:	
49.080.539	Unpaid due to allocations
52.714.955	Unpaid withholding tax on distributions
261.191.206	Unpaid foreign allocation (STIM)
362.986.700	Total outstanding at year-end

Information on members & registrations 2023

Number of registered authors at the end of 2023	9.858
New authors in 2023	737
Number of works on the register at the end of 2023	116.341
Number of works with a recorded performance in 2023	29.410
Number of authors who received an allocation in 2023	5.427

Gender division 2023



From STEF's Cultural Night Concert 2023



STEF's CHAIRS THROUGHOUT THE YEARS



Jón Leifs (1948-50, 1952-68)



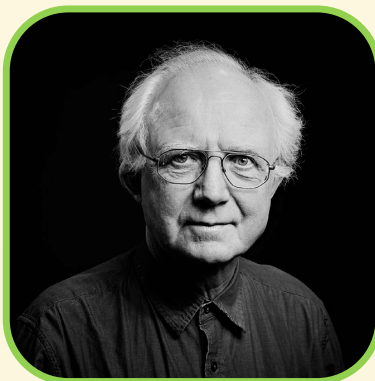
Jón Þórarinnsson (1950-52)



Skúli Halldórsson (1968-86, 1987-88)



Magnús Eiríksson (1986-87, 1988-89)



Atli Heimir Sveinsson (1989)



Áskell Másson (1989-90, 1991-92, 1994-96)



Valgeir Guðjónsson (1990-91)



Magnús Kjartansson (1992-94, 1996-98, 2000-02, 2004-06)



Kjartan Ólafsson (1994-96, 1998-00, 2002-04, 2006-08, 2010-12, 2014-16)



Jakob Frímann Magnússon (2008-10, 2012-14, 2016-18)



Þórunn Gréta Sigurðardóttir (2018-20)



Bragi Valdimar Skúlason (2021-)