



Management's Annual Report 2025-2026

The cover features Björgvin "Bo" Halldórsson, whom we recently bade farewell.
Over a career spanning nearly 60 years, he recorded close to a thousand songs and leaves an indelible mark
on Icelandic music history. We thank Bo for everything and for all his outstanding work.
(Photo: Mummi Lú)

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KK Honoured

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MESSAGE FROM THE MANAGING DIRECTOR



When reviewing the year, one naturally looks first and foremost at the financial statements and at how STEF is fulfilling its core role: collecting copyright royalties and distributing them onward. It is truly gratifying to see that this year we reached the milestone of STEF's total revenue exceeding ISK 1.5 billion, an increase of nearly 20% year on year. Of course, this is not something that can be expected to recur every year. STEF's excellent team deserves thanks for this outstanding achievement, because results like these do not happen by themselves. The calls that have to be made regularly can be difficult. It is worth noting, however, that in the vast majority of cases STEF enjoys very good relations with its customers, and we are grateful for that. In many ways, I believe that STEF, music and culture in general are closer to the hearts of Icelanders than is the case in our neighbouring countries. We undoubtedly hold a per-capita world record for attending cultural events, and there seems to be a musician in every single family. A recent study by

Statistics Iceland reveals that music appears to be something of Icelanders' "national sport": 48% of the population sings or plays an instrument, and music is also the nation's most popular pastime.

Although Icelanders listen to a great deal of music, we would like Icelandic music to command a higher share of the domestic streaming market and, consequently, generate more streaming income for our authors. Naturally, we do not have as many titles to choose from as other nations, but it certainly cannot be said that there is any lack of variety.

Seventy per cent of streaming listening takes place through playlists, and the playlists presented to consumers are by no means rich in Icelandic music. At least this can be said of instrumental playlists intended to create a particular mood. Today, such lists are filled to a greater or lesser extent with tracks by "fake artists", and it is reasonable to assume that a large proportion of this music is produced using artificial intelligence. It is, after all, cheaper for the services, since no payments are made from it to authors, publishers or performers.

At a recent meeting between a delegation and Spotify in Stockholm, it emerged that Spotify curates only two playlists intended for Icelandic users, while Finland has ten such lists and the other Nordic countries have even more. Spotify could easily remedy this, as well as employ someone with specialist knowledge of Icelandic music. Domestic consumers can also do their part by remaining mindful and listening to more Icelandic music, including when they want pleasant music in the background.

This operating year has been marked by our presentation of medals of honour to four distinguished composers, as described in this report. We thank them for their contributions to Icelandic music. A total of 33 people have now received STEF's medal of honour, but never before have we awarded so many in a single operating year. The group will probably grow later this year and in the years ahead, as we have many highly accomplished authors who are well past middle age and deserve to be thanked sooner rather than later for their fine life's work and all the enjoyment they have given us.

Reykjavík, 6 May 2026

With spring greetings.

Guðrún Björk Bjarnadóttir

CHAIR'S ADDRESS

This spring, the Representative Council will elect a new board to lead STEF's operations for the next two years. Cooperation over the past two years has been good, and there has been strong trust among the board members.

Two things stand out about STEF's position today. The organisation is delivering the largest financial results in its history, with turnover of approximately ISK 1.5 billion. At the same time, other challenges lie ahead. Artificial intelligence is by far the biggest issue facing copyright organisations worldwide. The pace of development can fairly be described as alarming, and it is difficult to predict what the next steps will be.

Major copyright organisations are pursuing legal action against large companies in the field of artificial intelligence, and the outcomes will presumably clarify the boundaries. But this takes time, and in the meantime the situation can be described as the Wild West. Everyone grabs what they can and thinks about the consequences later.



The affairs of the Iceland Music Centre are also very much on my mind. The establishment of the Centre has been one of the biggest steps taken in Icelandic musical life in recent years, probably the biggest since the opening of Harpa. Its work is enormously ambitious, and its staff possess extensive expertise across every area of musical life. It is therefore disappointing to see that the Ministry does not give the Centre more support than it actually does. This year, funding was cut by ISK 10 million, and cuts of the same amount are planned for each of the next two years. Nor should we forget the inflation added on top of that. If this goes ahead, the Centre will be back where ÚTÓN was before the Centre was established. One may therefore ask why this journey was begun in the first place.

In these matters, as in others, the conclusion is always the same. A struggle and advocacy lie ahead, and we will not stop until the situation improves.

The establishment of the Iceland Music Centre last year was probably the greatest stroke of good fortune for Icelandic musical life in a long time. Yet the Centre is already in financial difficulty following the state's demand for cuts. We must all join forces and speak up for the Centre's cause. Too much is at stake.

Reykjavík, 8 May 2026

Páll Ragnar Pálsson

BOARD & OFFICE ACTIVITIES

MAY '25 TO MAY '26

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 structure and information about those whom STEF has appointed 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:

Páll Ragnar Pálsson, Chair
Bragi Valdimar Skúlason, Vice-Chair
Halldór Smáráson
Hallur Ingólfsson
Hildur Kristín Stefánsdóttir
Magnús Jóhann Ragnarsson
Sóley Stefánsdóttir

Alternate Board members were Bergrún Snæbjörnsdóttir, Logi Pedro Stefánsson, Eðvarð Egilsson, Steinar Baldursson, Þuríður Jónsdóttir, Hrafnkell Pálmarsson and Bergur Þórisson.

Newly elected Representative Council

A new Representative Council was elected this past April. 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 (Tónskáldafélag Íslands and Félag tónskálda og textahöfunda) are ex officio members, while 19 representatives are elected in a vote 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 unaffiliated rights holders.

A total of 34 candidacies were submitted. The result is that the STEF Representative Council for 2026–2028 will be composed as follows:

Andri Ólafsson (FTT)
Anna Gréta Sigurðardóttir (FTT)
Árni Páll Árnason (unaffiliated)
Barði Jóhannsson (FTT)
Bergrún Snæbjörnsdóttir (TÍ)
Bergur Þórisson (unaffiliated)
Bragi Valdimar Skúlason (FTT) – Chair,
FTT Halldór Smáráson (TÍ)
Hallur Ingólfsson (FTT)
Hildigunnur Rúnarsdóttir (TÍ)
Hrafnkell Pálmarsson (FTT)

Karl Olgeirsson (FTT)
Karl Örværsson (FTT)
Klara Ósk Elíasdóttir (FTT)
Logi Pedro Stefánsson (FTT)
Magnús Jóhann Ragnarsson (unaffiliated)
María Huld Markan (TÍ)
Óttarr Proppé (unaffiliated)
Páll Ragnar Pálsson (TÍ) – Chair, TÍ
Sóley Stefánsdóttir (FTT)
Þuríður Jónsdóttir (TÍ)

At the Council's annual general meeting on 21 May, the new Council will elect its Chair and a new STEF Board for the next two years. It should be noted that the meeting will consider a proposal to extend the term of the Council, and consequently that of the Board, from two years to three. There is also a proposal that elections should in future be conducted exclusively electronically (unless circumstances require otherwise). Such a change would allow the election timetable to be shortened and preparations to begin later in the year; the current timetable was designed for postal voting.

STEF, TONO and Teosto begin cooperation with ICE

It was recently announced that STEF, Teosto (Finland) and TONO (Norway) had entered into a partnership with International Copyright Enterprise (ICE).

Following a needs analysis and careful assessment of available options, the organizations began implementing the 'ICE Core' system on 1 January this year for licensing and back-office administration. Together, the organizations represent approximately 90,000 composers and lyricists, and they now join ten other major collective management organizations that ICE has served for many years.



'We are delighted to welcome Teosto, TONO and STEF to the rapidly expanding ICE Core. As all three organizations are already ICE customers for copyright services, their decision to also entrust us with licensing and back-office administration demonstrates the strength of our services and their confidence in the end-to-end technology solutions we have developed in recent years.'

We value their trust, which in turn gives us an opportunity to expand and improve the services we provide to our customers. We will, of course, make every effort to safeguard the rights of the organizations' authors and are committed to maximizing their returns.'

—Ben McEwen, Managing Director at ICE.

It is hoped that distributions relating to streaming will increase somewhat over the coming years, given ICE's strong position as a leader in multinational licensing for digital music services; it has licensed more than 100 multinational entities in 245 countries.

To Spotify or not to Spotify?

There has recently been discussion among STEF members about whether it would be advisable to protest the terms and working conditions offered by Spotify by removing music from the service.

One issue that the STEF Board has discussed extensively in recent years is the Icelandic streaming market, Spotify's dominant market position, and how, in our view, the service has engaged in various practices that could be regarded as an abuse of that dominant position.

Spotify controls more than 98% of the Icelandic streaming market! In light of this, it is obvious that it is in no way realistic for Icelandic music creators to walk away from the table. The only consequence would be that they would forgo potential streaming revenue without anything else taking its place.

Even if the vast majority of Icelandic music creators left the service, it would probably make little difference. Most Icelandic consumers would still remain Spotify subscribers, and the result would be that they streamed even more foreign music, leaving Icelandic music creators with an even smaller share than they receive now.

The share of streams accounted for by Icelandic music, relative to total music streaming in Iceland, is already very low—only 14.8% (this refers to the share of copyright revenue; the share paid to record labels may differ and appears to be somewhat higher). In fact, this domestic share is much lower than what we see in neighboring countries.

It has been suggested that the low share of Icelandic music streamed domestically is due to certain authors who have achieved international fame choosing to belong to foreign collective management organizations. That argument does not hold, however, because these individuals are, almost without exception, represented by STEF for use of their music in Iceland. They belong to foreign collective management organizations for performances in other parts of the world. Moreover, there are so few such individuals that this should not have a major effect on the overall picture.

Revenue from streams of their music in Iceland therefore passes through STEF. It should also be noted that prominent authors very often have agreements with foreign music publishers providing for copyright revenue to be divided between authors and publishers. Consequently, a large share of the revenue from their works (often 50%) goes to the foreign organizations of which their publishers are members. This copyright revenue paid to foreign publishers is therefore not included in the 10% share mentioned above. In the broader context, it therefore matters that strong music publishers operate in Iceland, as this could increase revenue for the Icelandic music sector.



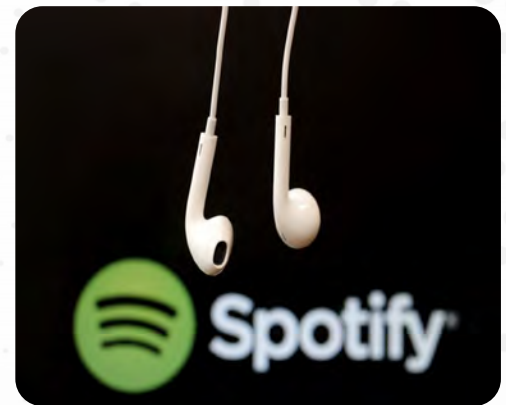
What we can do at this point, however, is make our voices heard and try to put greater pressure on Spotify to offer a fairer working environment for music creators. We are pursuing this through our cooperation with the other Nordic countries and through our agreements with Spotify.

As consumers, however, we can choose to move to other services and spend our money elsewhere. It should nevertheless be noted that ‘fake artists’ and AI-generated music are also found on other services, and the environment there is not necessarily better.

What other services sorely lack are playlists of Icelandic music, which have been built up on Spotify over the years. For example, it is difficult to find playlists featuring ‘calm Icelandic music,’ ‘romantic Icelandic music,’ ‘campfire songs,’ and so forth on services other than Spotify. A large share of Icelandic music streams on Spotify occurs through such playlists.

As consumers, we can also do our part by using such Icelandic-music playlists when we want pleasant background music, rather than relying exclusively on playlists curated by Spotify, which are now considerably diluted with ‘cheaper’ tracks created by AI or fake artists. Revenue from such works does not pass through traditional collective management organizations and passes only partly through traditional record labels.

The conclusion, therefore, is that Spotify’s business practices are entirely unacceptable. Nevertheless, while no better option is available, we do not recommend that our members remove their music from the service. We must then hope that the future brings a different and better working environment.



Meeting with Spotify executives in Sweden

On 22 April, Logi Einarsson, Minister of Culture, Innovation and Higher Education, María Rut Reynisdóttir, Managing Director of Tónlistarmiðstöð, and Guðrún Björk Bjarnadóttir, Managing Director of STEF, led a distinguished delegation of music-industry stakeholder representatives to a meeting with Spotify in Stockholm. The aim of the meeting was to discuss the future of Icelandic music on the streaming service and strengthen the position of Icelandic music professionals.

The delegation drew attention to the fact that Spotify's market share in Iceland is extremely high, at 97%. At the same time, Icelandic music accounts for only around 20% of total music consumption in Iceland, which is low compared with many other countries and far lower than before the advent of streaming.

"We know that many factors are involved, but we wanted to obtain as clear a picture of the situation as possible. We therefore requested further data on listening patterns in Iceland, on how people discover music on the streaming service and on the

performance of Icelandic artists, as well as comparisons with the other Nordic countries," said Logi. He also considered it important for people to take an interest in their compatriots and be willing to explore new music.

"Although streaming has increased global music revenues following a prolonged downturn, Icelandic music's share of total music consumption in Iceland has declined substantially with the advent of Spotify and now stands at around 20%, compared with an average of approximately 65% in the years 2001–2015. For those of us working to advance Icelandic music, strengthening its position in the domestic market is an urgent priority. We want to do this in collaboration with Spotify, which plays a key role in Iceland, with a 97% market share," said María Rut Reynisdóttir, Managing Director of Tónlistarmiðstöð.

At the meeting, Spotify presented the position of Icelandic music on the streaming service and compared it with the other Nordic countries. It emerged that Icelandic artists such as Laufey, Kaleo and Of Monsters and Men have achieved considerable international success on Spotify, and that Iceland performs strongly in the international music market relative to its size.

The meeting focused in particular on challenges relating to the visibility and accessibility of Icelandic music. These included the impact of playlists on content distribution and the visibility of Icelandic artists in editorial and automated recommendations to listeners. Potential opportunities for collaboration on initiatives aimed at encouraging listening to Icelandic music were also discussed.

The discussion also covered Spotify's role in supporting music ecosystems in smaller markets and language communities, and how data and analytics can best be used to improve the position of Icelandic music.

"There are various opportunities to increase the visibility of Icelandic music on the streaming service. Curated playlists are part of that visibility, but the algorithm plays an ever-growing role, and Spotify's representatives said that it would not be altered. The possibility of Spotify becoming directly involved in events, festivals and other musical activities in Iceland was also discussed," said Logi.



There was broad agreement on the importance of increasing the visibility of Icelandic music. It was also emphasized that increased listening to Icelandic music is crucial to musicians' income and to supporting the Icelandic language and culture. The meeting also demonstrated a strong willingness to continue the dialogue and potentially collaborate on initiatives aimed at strengthening the position of Icelandic music in the digital environment.

It should be noted that the Ministry of Culture, Innovation and Higher Education has entered into an agreement with Tónlistarmiðstöð on a special initiative aimed at increasing listening to Icelandic music on streaming services in Iceland. In collaboration with Rannsóknarsetur skapandi greina, Tónlistarmiðstöð has commissioned a survey asking about people's music-listening habits, particularly their listening to Icelandic music. The survey results are expected around the end of May or beginning of June, while a special promotional campaign is planned for the autumn in collaboration with numerous parties to encourage people to listen to more Icelandic music on streaming services.

As previously stated, the aim of the meeting was to examine whether Spotify could do more to introduce Icelandic music to Icelanders on the service, as Icelanders unfortunately appear to stream less domestic music than people in neighboring countries or elsewhere in Europe. No answers were obtained at the meeting, but Spotify did undertake to examine whether these requests could be accommodated.

Amendments to the Articles of Association concerning membership

At the 2025 Annual General Meeting, amendments were made to STEF's Articles of Association concerning eligibility for membership. Previously, only authors could qualify as members and be eligible for election to the governing bodies.

The definition is now broader, so that arrangers and others who hold a share in a work that receives a distribution may become members, as may their heirs. Music publishers may also now become members; in the Articles of Association, the term "music publisher" is defined as a legal entity that has entered into a publishing agreement with an author.

A provision was also added stipulating that, when part of an author's copyright is assigned to a publisher, their voting rights shall be divided in proportion to the distribution of copyright revenue between them; in other words, only part of the author's voting rights is transferred to the publisher.

At the same time, the rules governing publishers' candidacy for the Representative Council and the Board were clarified. A publisher announcing its candidacy must simultaneously state which individual will take the seat on behalf of the company.

It is specified that the same individual may not stand for election both as an author and as a publisher. A clearer rule was also introduced for the candidacy of heirs, who must declare that they are standing as the representative of the heirs of a specified author.

The provisions on candidacy and voting weight remain unchanged, and the same rules therefore apply to the candidacy of publishers as to that of others. The same maximum number of votes also applies to publishers and authors. Publishers therefore cannot accumulate votes through agreements beyond the maximum specified in the Articles of Association.

The meeting made it clear that publishers are welcome as members, that they perform a necessary role within the music sector, and that their expertise can be valuable in the work of the governing bodies, since publishers are important in helping authors advance their careers and increase their income.

The meeting did not, however, consider it appropriate for music publishers automatically to be granted seats on the Representative Council or the Board, since they are effectively taking their first steps in Iceland and currently represent very limited rights. However, as their share of distributions—and therefore their interests—increases, it is not unlikely that this will be reviewed.

STEF's Music Health Fund established

The inaugural meeting of a new fund was held at STEF's headquarters on 5 January. The new fund was named Tónheilsusjóður STEFs.

Its objective is to facilitate access to music for health-promoting purposes. This objective will be achieved by the fund supporting music professionals and/or institutions and organizations in performing music or working with music in other ways for health-promoting purposes. This may, for example, take place in nursing homes, prisons, hospitals or group homes, or at other locations where parties involved in public-health projects hold events or gatherings. The fund may also support research projects relating to this field.

Music professionals, institutions and organizations may all apply to the fund for grants.

The fund was conceived by the couple Andrés Arnalds and Guðrún Pálmadóttir and was brought to fruition by their children, Ólafur, Fríða, Ásdís and Ari, with the assistance of STEF. The fund's initial contribution comes from the couple. STEF will administer the fund without charge.

Grants were awarded for the first time this spring, with seven recipients receiving support on this occasion.

The establishment of this fund is a great cause for celebration for STEF, which thanks Andrés and Guðrún for their generosity and initiative in creating it. In an interview with Morgunblaðið on this occasion, their son Ólafur Arnalds said:

"Mum has Alzheimer's and Dad has Parkinson's, and they have both personally experienced how greatly music benefits them ... we hope that their gift will increase the emphasis placed on this important healing approach for people in the community."



Bylgjan & Stöð 2 Composers' Fund discontinued

When the agreement with SÝN was recently renewed, it became clear that SÝN was not interested in contributing further funds to the *Bylgjan and Stöð 2 Composers' Fund*. There was therefore no alternative but to wind up the fund. Its final allocation was consequently made in the summer of 2025, and the funds distributed on that occasion came solely from STEF.

Tariff for "combined" events

In recent years, hotel operators have increasingly organized concerts alongside their accommodation and catering services, thereby offering a combination of concerts and their traditional services. Until now, there has been no specific tariff for such "combined" events, but the STEF Board has now approved amendments to the concert tariff covering events of this kind.

Tariff for trade shows

Music is always a key element in creating the right atmosphere. This applies equally to trade shows, hotels, restaurants, beauty salons, and anywhere services are sold or presented. The Board recently approved a tariff for the use of music at trade shows and other comparable events, covering background music throughout the exhibition area.

Tariff for sauna rituals

So-called “sauna rituals,” sometimes referred to as “guided sauna sessions,” have grown rapidly in Iceland in recent years—so much so, in fact, that one might speak of a kind of craze.

A brief online search reveals more than twenty venues offering such services for a fee. Music is used in almost every case and is, in fact, in the foreground rather than the background. It is therefore clear that music plays a significant role in sauna sessions.

In many respects, sauna rituals may be compared to instructor-led yoga classes. Each session is usually structured around particular songs, and the rituals often have a theme connected to the music—for example, a “jazz ritual,” “R&B/soul ritual,” “dance ritual,” “meditation ritual,” “sing-along ritual,” “GusGus ritual,” “Christmas ritual,” or “energy ritual,” to name just a few examples found online. Spotify also offers numerous public playlists dedicated to sauna rituals.

It is clear from this that it is both natural and appropriate for STEF and SFH to collect fees for the use of music in this commercial activity, just as they do in others.

In the near future, STEF will present operators offering such services with a special tariff for this activity. It will not be burdensome, but merely fair compensation for the use of what may be regarded as an indispensable part of the experience for sauna-loving customers.



Music in advertising: What, why and how?

STEF regularly receives enquiries from companies and producers about how to proceed and what must be considered when using music in advertising. There are indeed several matters to take into account.

We have compiled and published guidance on our website—a checklist and set of instructions intended to assist anyone planning to use previously released music for advertising purposes. It also provides a useful overview for authors, performers and publishers.

Learn more here: stef.is/vidskiptavinir/tonlistiauglysingum

STEF recently held meetings with major advertising agencies to examine these issues and review the main considerations, with particular regard to the use of music on social media. The discussions were extensive, and agency staff raised numerous questions while sharing their experience of applying for licences to use music in advertising.

Changes to distributions for music at church ceremonies

The STEF Board recently approved a new methodology for distributing the funds that STEF receives under its agreement with the National Church of Iceland.

In future, STEF will receive information on works performed at services from far more churches than before and will use this information as the basis for distributions. A new calculation rule will also be introduced, distinguishing between funerals and regular services on the one hand, and weddings and baptisms on the other.

This new allocation method, together with improved information, will mean that hymn writers receive a larger share than before. Conversely, slightly less will be distributed for music used at funerals, weddings and baptisms.

The National Church is developing an intranet through which organists will be able to enter information on performed works easily. It is hoped that, once this procedure is in place, distributions can be based entirely on those records.

Sample checks of hymn lists will continue to be used for funerals, while a special committee will continue to assess performances of works at weddings and baptisms, insofar as baptisms are not part of regular services.

Agreement with On Music on data registration

STEF recently entered into a cooperation agreement with *On Music*, a Belfast-based company specializing in enhancing data for copyright organizations and others. The company will receive performance reports from radio and television stations and automatically add various important identifiers, such as ISRC and ISWC numbers where applicable, display titles in the original language for television content, and more. This will greatly assist with data matching and substantially reduce manual work for STEF staff.

Protect your works with Musicstart

Sacem, STEF's sister organization in France, has introduced a new service, Musicstart, which helps authors protect the copyright in their works from the development stage onward.

In short, the service provides works in progress with a form of ownership certificate, leaving no doubt as to ownership and therefore copyright. It uses blockchain technology to timestamp and store works from the first version onward, followed by updated versions as the works develop through successive stages.

This is also useful if a dispute over ownership arises at some point, particularly where there is more than one author. In the age of AI-generated content, it is also important to be able to demonstrate ownership of unpublished as well as published works.

STEF has reached an agreement with Sacem to offer members free trial access. Through "My Pages," members can request an access code by clicking the "Musicstart" button.



Tax guidance

STEF regularly receives tax-related enquiries from members. For example, authors sometimes move abroad, which naturally brings various changes, including to their tax environment and the applicable rules. Tax consequences

also arise when authors enter into agreements with publishers. STEF's website now includes a dedicated tax-information page containing useful guidance and explanations of the various aspects of taxation.

See here: stef.is/frettir/skattamalaskyringar

“Graphic representation” provision added to membership agreement

The STEF Board recently decided to follow the example of sister organizations in neighboring countries and add a new category of rights to the organization's membership agreements. This concerns representation of interests relating to the online “graphic representation of music,” as it has been termed, particularly lyrics and sheet music. In future, this will enable STEF to negotiate over these rights, for example with international streaming services, some of which display song lyrics while tracks are playing—something for which no separate payment is currently made. It was also decided to offer existing members the option of adding this category to their membership agreements; details of the procedure will be announced shortly.

Setlists requested from dance-band performances

During the past year, dance bands were specifically encouraged to submit setlists to STEF. Such bands earn income by performing songs by various composers at dances and similar events, so it is clear that they use those songs to generate revenue. There is, of course, nothing objectionable about that.

It is nevertheless natural and fair that the copyright revenue from ticket sales, which STEF collects under law, should be distributed to the relevant authors. STEF cannot make such distributions, however, unless the appropriate setlists are available.

Representatives of such bands have therefore been encouraged to submit setlists to STEF regularly, particularly for larger events.

Registering songs on Spotify — Reminder

It is worth emphasizing that, when songs are submitted to music services such as Spotify, they must be registered correctly—especially the songwriter credits. Otherwise, there is a risk that the registration system will fail to match the song with its authors. Particular care should be taken not to enter a band name as the author, even where the members of the band, duo, trio, and so forth are in fact joint authors. Instead, the names of the individuals concerned should always be entered.

EXTERNAL ENVIRONMENT

Koda Sues Suno: ‘The Biggest Theft in the History of Music’

Koda, STEF’s sister organisation in Denmark, has formally filed a lawsuit against Suno, currently one of the world’s best-known AI music companies.

The lawsuit is based on clear evidence indicating that the company used copyrighted Danish music without permission or payment to train its AI and produce music for which it charges users.

Koda considers this an unequivocal matter of principle, as the company is both infringing composers’ copyright and profiting from them. In effect, money is flowing from Danish creators to the company, leaving fewer resources to create and support Danish music. Koda believes that this not only threatens creators but also undermines the nation’s culture in the broadest sense.

Koda believes it is clear that this case concerns not only Danish music, but music from every country.



‘We are putting at risk a cultural world in which music is created by people with real stories to tell. It is being replaced by music produced by AI software in American or Chinese data centres,’ Koda states in its announcement.

‘Technology companies disregard our culture, ignore rights and thereby strike at the foundations of democracy. We cannot let this pass unchallenged and will fight for a strong music sector, a fair market, the rights of our members and Danish culture,’ Koda’s announcement also states.

Guðrún Björk Bjarnadóttir, Managing Director of STEF, considers it evident that this is a landmark test case, one she has no doubt creators throughout the Nordic countries wholeheartedly support.

GEMA Prevails in Lawsuit Against OpenAI

On 11 November, a court in Germany found that ChatGPT, owned by AI giant OpenAI, had broken the law through the unauthorised use of copyrighted song lyrics.

The judgment states that the company should have obtained formal permission to use German lyrics to train its software, which is based on what specialists call ‘generative AI’. This is the first judgment delivered in Europe concerning the unlicensed use of works to feed and train artificial intelligence.

According to the ruling, there is no doubt that ChatGPT’s systems use original, legally protected lyrics that have been copied and made available as purported ‘answers’ to prompts from users of OpenAI’s service. The plaintiff, GEMA, STEF’s sister organisation in Germany, submitted evidence showing that protected lyrics by well-known authors had been ‘recreated’ in this way.

The court concluded that these reproductions clearly infringed copyright and required OpenAI to obtain formal licences from rights holders in return for appropriate remuneration.

The argument that OpenAI was simply a lawful search-engine and research company was rejected. The court held that although text and data mining could, to some extent, constitute a lawful activity, it did not confer permission to store copyrighted song lyrics and use them to generate ‘new’ lyrics.

‘The internet is not some kind of self-service buffet, and human creations are not simply templates to be used free of charge. Today we have set a precedent that both protects and clarifies the rights of owners of copyrighted works. Operators of AI tools such as ChatGPT must comply with copyright law like everyone else,’ said Dr Tobias Holzmüller, CEO of GEMA, following the ruling.

GEMA is preparing another, similar case against the American AI music producer Suno, which was heard in early 2026.

Music Is Highly Valuable. Confirmed.

Last year, AKM, STEF’s sister organisation in Austria, conducted a survey on the impact of music in business. We recently came across the results. They support the findings of earlier comparable surveys: in short, music has a noticeable positive effect on purchasing behaviour and improves the experience of customers and staff alike.

As previous comparable surveys have shown, customers spend longer in shops when suitable background music is playing, become more loyal customers, experience a positive effect on their mood and are more likely to recommend the shop to friends and acquaintances.

The survey shows a continuing rise in businesses using specialist companies to curate suitable music for them, which further enhances these positive effects.

The survey also reveals that many businesses that tried AI-generated music to save money have abandoned that approach, because customers and employees alike appreciate such music less; it is perceived as impersonal, inauthentic and devoid of emotion.



Helga Guðný Appointed Head of Sales and Collections



Helga Guðný Sigurðardóttir recently took up the position of Head of Sales and Collections at STEF. She holds a BA in French, a diploma in finance and management, and an MBA from HR. She has previously worked at Landsteinar, Nýherji (Origo) and Motus, among others.

We warmly welcome Helga Guðný to her work on behalf of composers.

MISCELLANEOUS OPERATIONAL ISSUES

Bríet Received ‘Langspilið’ 2025

One of STEF’s pleasant spring traditions is the presentation of ‘Langspilið’, a special STEF award presented annually to a creator who has excelled and achieved noteworthy success during the preceding year.

Langspilið is normally presented alongside the spring grants. As the presentation in spring 2025 took place somewhat later than usual, it was not possible to report the year’s recipient in the previous annual report.

We are nevertheless delighted to report here that none other than Bríet Ísis Elfar received the award last spring. In recent years, she has steadily climbed radio and online playlists, naturally reflected in increased distributions from STEF—and 2024 was a record year for her.

We wish Bríet continued success in the years ahead and hope that the award will encourage her to achieve even more.



Þormóður Received ‘Langspilið’ this year



The 2026 Langspilið was presented recently to Þormóður Eiríksson, who in recent years has been one of Iceland’s most sought-after producers and songwriters.

Þormóður can be described as one of those indispensable figures ‘behind the scenes’ whom we do not always hear about or fully appreciate. Artists such as Hr. Hnetusmjör, Aron Can, Birnir, Emmsje Gauti, Friðrik Dór, Jói P & Króli and GDRN—to name but a few—have all worked and written music in close collaboration with hitmaker Þormóður.

He has a unique gift for writing music that connects with people. Natural talent is combined with extensive, focused work; he has explained that while songs are being developed, he

conducts his own research, tests whether they work and move people, and then refines them as he sees fit.

Icelandic Music Awards 2026



The Icelandic Music Awards were presented at a ceremony at Harpa on 18 March. Singer Laufey enjoyed great success, receiving the awards for Song of the Year, Performer of the Year and Album of the Year in her category.

The Albums of the Year 2025 are:

- A Matter of Time – **Laufey**
- All is Love and Pain in the Mouse Parade – **Of Monsters and Men**
- Dyrnar – **Birnir**
- QUACK – **Gugusar**
- Quiet Presence – **Sævar Jóhannsson**
- Crossing Borders – **Ásgeir Ásgeirsson**
- Where is Jón? – **Úlfur Eldjárn**
- Opus 109: Beethoven, Back, Schubert – **Víkingur Heiðar Ólafsson**

The Songs/Works of the Year are:

- Eitt af blómunum – **Páll Óskar & Benni Hemm Hemm**
- 10 ÞÚSUND – **Emmsje Gauri og Króli**
- Ordinary Creature – **Of Monsters and Men**
- Day Old Thoughts – **Árný Margrét**
- In the Sound of Breathing – **SAGES**
- Watachico – **Watachico**
- Before We Fall – **Anna Þorvaldsdóttir**

The Lyrics of the Year award went to “Eitt af blómunum”. The Singers of the Year were **Laufey**, **Silva Þórðardóttir** and **Hanna Dóra Sturludóttir**. **Sara Mjöll Magnúsdóttir** was named Brightest Hope. The band **Todmobile** (pictured below), which has performed intermittently since 1989, received the Honorary Award. More information about the award recipients is available on the ÍTV website: www.iston.is



Icelandic Music Day 2025



Icelandic Music Day was celebrated on 1 December. The event is organised by STEF and SFH. As is customary, awards were presented at a gathering in Harpa.

- The record label **Sticky Records** received the Encouragement Award for providing a home for Iceland's grassroots scene and strongly supporting the new wave of Icelandic hip-hop.
- The organisation **MMF Iceland** received the Innovation Award for connecting Iceland's artist-management community and thereby strengthening the voice of Icelandic music professionals at home and abroad.
- The "Window" award is presented to those who give exceptional support to Icelandic music. **Iðnó** received the award this year for developing and nurturing Icelandic concert culture in Reykjavík.
- The Export Award went to **Ásdís María Viðarsdóttir** for her rapidly growing international career in recent years.
- The FÍH Performers' Award was presented for the first time. It went to "**Óþekktu hrynsveitin**", the group of musicians who provided the accompaniment for the stage production of *Moulin Rouge*: Andrés Þór Gunnlaugsson, Andri Ólafsson, Birgir Þórisson, Gunnar Hilmarsson, Helgi Reynir Jónsson, Jóhann Hjörleifsson, Matthías Stefánsson, Ólafur Hólm, Róbert Þórhallsson and Vignir Þór Stefánsson.
- **Ragnhildur Gísladóttir** was awarded STEF's Medal of Honour for her outstanding contribution over the years (see the article later in this report).
- **Músíktílaunir** received the year's honorary award, "Litli fuglinn", for serving as a springboard for young musicians and, over many years, guiding promising artists through their first steps into the wider world of music.

Music at the ceremony was performed by Páll Óskar and Benni Hemm Hemm, Ásdís María and the women's choir Hekla. Lóa Hjálmtýsdóttir also delivered an address—a kind of ode to Icelandic children's music.

Ragga Gísla Awarded STEF's Medal of Honour

Ragnhildur Gísladóttir was awarded STEF's Medal of Honour on Icelandic Music Day.

Ragga Gísla, as she is known, first came to public attention in the late 1970s, singing with Lummurnar, Brimkló and Brunaliðið, among others.

It was in the early 1980s, however, that Ragga truly emerged and made her mark with the band she founded, Grýlurnar. It can fairly be said to have been the first genuine all-female band in Icelandic history, and it undoubtedly inspired other women.

Grýlurnar later played a major part in Iceland's most popular film, "Með allt á hreinu", produced by Stuðmenn. Not long afterwards, Ragga joined Stuðmenn and sang with the band on numerous albums and at performances far and wide, well into the twenty-first century.

Ragga has always attracted attention for her strong and distinctive style, both as a singer and songwriter and no less in her stage presence and choice of clothing.

In 2017, Ragga became the first woman commissioned to write the Vestmannaeyjar National Festival song.

Ragga has certainly done her part to add colour to our lives over the years. And although she once wrote and sang the song "Ekkert mál", we consider her contribution a very big deal indeed!



Karólína Honoured



At the recent opening of Dark Music Days, **Karólína Eiríksdóttir** was awarded STEF's Medal of Honour for outstanding service to Icelandic musical life, both as a composer and through her invaluable work on boards, councils and committees within the music sector.

All of Karólína's orchestral works have been performed by the Iceland Symphony Orchestra and have also been heard around the world. She has composed six operas, including "Magnús María", which was nominated for the Nordic Council Music Prize in 2016.

Over the years, Karólína has served on the boards of the Iceland Music

Information Centre, the Society of Icelandic Composers, the Reykjavík Arts Festival and the Iceland University of the Arts, among others.

KK Honoured

Kristján Kristjánsson, better known as KK, celebrated his seventieth birthday last week and marked the occasion with a concert at Háskólabíó.

KK was born and spent the first decade of his life in the United States, then lived in Iceland for just over a decade before moving to Sweden, where he remained for around thirteen years.

Soon after returning home in the late 1980s, Kristján began attracting attention on Iceland's music scene. His rhythmic and engaging playing quickly stood out, bringing a fresh breeze even though he was already over thirty and his music was rooted in traditional blues and soul.

His first album, "The Lucky One", was released in 1991, followed a year later by the hugely successful "Bein leið". Albums then followed one after another, and over the ensuing decades Kristján captivated his fellow Icelanders with his direct, unaffected performances and sincere manner—qualities that also characterise most of his songs and lyrics.

The STEF Board felt it especially fitting to honour KK at this milestone. Four board members slipped onto the Háskólabíó stage and presented him with the organisation's Medal of Honour, with heartfelt thanks for his substantial contribution to Icelandic music over the years.



Tómas R. Receives Medal of Honour



In early March, the renowned double bassist **Tómas R. Einarsson** was awarded STEF's Medal of Honour. Board members seized the opportunity at Salurinn, where Tómas and GDRN were celebrating the release of a new duo album.

Tómas has ranged widely throughout his career and has long been a prominent figure in Icelandic musical life, though jazz may be said to run through his very bones. He is also known for his passion for Latin music, drawing inspiration from Latin America and often blending Latin influences with jazz. It is hardly an exaggeration to call Tómas Iceland's king of Latin jazz. This captivating mixture has carried warm southern currents that have comforted listeners in the bracing cold of the North Atlantic.

Tómas's first album was released in 1985, and many more have followed, whether solo albums, duo recordings or other collaborative works. Nearly four hundred compositions by Tómas are registered with STEF. More are still being added, and may that continue for many years to come.

Rapidly Rising Songwriters Honoured on Culture Night



As in previous years, STEF hosted concerts in the garden at Laufásvegur 40 on Culture Night. This was the ninth time the event had been held. This year's performers were **Pétur Ben, Soffía, Fríða Dís, Árný Margrét** and **Krummi**. We thank them sincerely for their excellent contributions, as well as everyone



who joined us. We look forward to welcoming people again next year.

At the concerts, the STEF Encouragement Awards were presented for the second time to three songwriters who share the distinction of having “shown rapidly growing success in recent years”, as the wording puts it; rising copyright income is one indication of this.

This year's recipients were **Árný Margrét Sævarsdóttir, Kári Egilsson** and **Nína Sólveig Andersen** (Lúpína); her manager, Aurora, accepted the certificate on her behalf. We congratulate them and wish them every success in the years ahead.

EVENTS, WORKSHOPS AND MORE

Vigdís's Song-Lyrics Workshop

Vigdís Hafliðadóttir held a song-lyrics workshop at STEF's headquarters on 20 April. Vigdís is a screenwriter, singer and lyricist with FLOTT and received the Icelandic Music Award for Lyrics of the Year in 2023. She studied singer-songwriter performance and lyric writing in Sweden, where the emphasis was on writing lyrics that tell stories. She reviewed “everything she learned during her year of study in Sweden, how to begin a lyric, how to finish one, and what happens in between,” as she put it.

The workshop was considered a great success, and demand exceeded the number of available places. We thank her and the participants for coming to Laufásvegur on the first truly pleasant spring day of the year. The aim is to hold more workshops of this kind in the years ahead.



Hitmaking #4

On 16 February, a pop-songwriting workshop was held at Laufásvegur under the title “Hitmaking”. This was a standalone continuation of an initiative offered previously and very well received. The instructors were Birgir Steinn Stefánsson and Bjarki Ómarsson (Bómarz), who led a similar workshop last year. Both have achieved considerable success in recent years—Birgir as a singer and songwriter for himself and others, and Bjarki as a songwriter and arranger for various artists.

Airsongs '25 – Iceland ISC Songwriting Camp

From 3 to 5 November, Iceland Sync Creative (ISC) held a three-day songwriting camp entitled AIRSONGS. Similar camps have been held in recent years and have always been highly successful.

In addition to Icelandic songwriters, participants came from Denmark, Germany and Poland. This was an ideal opportunity to broaden horizons, gain experience and build connections. One place was specifically reserved for a STEF member, although most songwriters represented by ISC are, of course, STEF members.

SyncCamp '25 in Poland

As in previous years, STEF's sister organisation in Poland, ZAiKS, hosted the “Sync Camp” songwriting camp, bringing together songwriters from a variety of backgrounds. ZAiKS has invited STEF to send participants in recent years. The camp focuses on music for film, television and advertising. Music supervisors advise participants, with an emphasis on teamwork and networking. This year, our representatives in Poland were Magnús Jóhann Ragnarsson and Salka Valsdóttir.

Airwaves 2025 Conference Programme

The so-called “Industry Days” once again took place alongside the Iceland Airwaves festival last autumn. This free programme of educational sessions and events is organised by the Iceland Music Centre and Reykjavík Music City with support from Business Iceland. The most recent programme included a masterclass in artist management, a panel on gender equality in music and speed meetings with industry professionals, offering opportunities to connect with music-business representatives from a wide range of fields.

STEF organised one of last autumn’s seminars, which examined the purpose and future of collective management organisations. Its title was “Dinosaurs or Digital Pioneers? The Future of Collective Rights Management”. Experts sought to answer whether copyright organisations are obsolete or unnecessary gatekeepers in a high-tech age—or whether they remain essential institutions for protecting composers’ rights in today’s fragmented digital economy.

STEF also arranged the visit of music journalist **Liz Pelly**, who has attracted considerable attention for her book “Mood Machine – The Rise of Spotify and the Costs of the Perfect Playlist”. The book has been described as an analysis of practices at the world’s largest streaming service. It includes numerous interviews with knowledgeable people from Spotify’s inner circle, as well as from the music and cultural sectors. The book sheds light on how Spotify’s concentrated dominance has shaped music for listeners and musicians alike in recent years—and perhaps forever.



Nordic Music Camp Songwriting Camp



The Nordic Music Camp songwriting camp was held in Sisimiut, Greenland, from 27 March to 4 April. The camp is intended for songwriters and producers who want to develop their careers, reach larger audiences and build connections, particularly across the Nordic region. **Atli Dagur Stefánsson** represented STEF on this occasion. The initiative is organised by the Nordic Music Community and rotates among the Nordic countries. The previous camp was held in the Faroe Islands; the accompanying photograph is from that event, where our representative was Bríet Ísis Elfar.

Information and Introductory Meetings

On 20 November, an informal information and introductory meeting for songwriters was held in Akureyri, where STEF’s northern representative, **Hreiðar K. Hreiðarsson**, welcomed attendees and answered questions. A similar meeting was held in Borgarnes on 27 February, where **Ísabella Lövenholdt** from the Member Services Department welcomed guests together with musician **Soffía Björg**.

On 31 October, **Guðrún Björk Bjarnadóttir**, Managing Director of STEF, gave a presentation hosted by Stjórnvísí entitled “Does Training Artificial Intelligence Infringe Copyright?” She discussed research indicating that one third of songwriters’ income could disappear within a few years as a result of artificial intelligence. Guðrún Björk also outlined policy approaches for responding to this development. STEF has worked closely with Nordic copyright organisations and set out a forward-looking policy on licensing for generative AI.

During the year, STEF also held introductory meetings with the Association of Companies in the Restaurant Market (SVEIT), the Icelandic Federation of Trade and Services (SVP) and the Icelandic Travel Industry Association.

AFFILIATED ORGANISATIONS, COMMITTEES AND COUNCILS

Composition as it stood when the annual report went to press

- STEF is a member of IHM (the Rights Holders' Collection Centre), an association representing the interests of 11 copyright organisations, which collects and distributes levies for private copying and television retransmission. STEF is represented on the IHM board by **Guðrún Björk Bjarnadóttir** and **Hjörtur Ingvi Jóhannsson**. Alongside them, **Bragi Valdimar Skúlason** and **Puríður Jónsdóttir** serve on the IHM Council of Representatives.
- STEF is a member of Fjölís, an association representing the interests of seven copyright organisations acting on behalf of rights holders whose copyrighted works are used through photocopying, scanning, electronic reproduction or other comparable forms of reproduction. STEF is represented on the Fjölís board by **Páll Ragnar Pálsson**. **Guðrún Björk Bjarnadóttir** serves on the Fjölís Council of Representatives, 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 activities are organising the Icelandic Music Awards (ÍTV) and Icelandic Music Day (DÍT). STEF's representatives on the Samtónn board are **Guðrún Björk Bjarnadóttir** and **Halldór Smáráson**, together with **Bragi Valdimar Skúlason**. The managing director of ÍTV and DÍT is **Kristján Freyr Halldórsson**.
- **Guðrún Björk Bjarnadóttir** serves on the board of Iceland Music on behalf of STEF.
- The board of the STEF Recording Fund comprises **Eyþór Gunnarsson**, **Kjartan Sveinsson**, **Ragnheiður Gröndal** and **Ragna Kjartansdóttir**.
- The board of the STEF Sheet Music Fund comprises **Tryggvi M. Baldvinsson**, **Hildur Kristín Stefánsdóttir**, **Hafdis Bjarnadóttir** and **Bergur Þórisson**.
- The board of the STEF Major Works Fund comprises **Elisabet Indra Ragnarsdóttir**, **Gunnhildur Einarsdóttir**, **Óttarr Proppé** and **Hallur Ingólfsson**, together with **Guðrún Björk Bjarnadóttir**.
- The board of the STEF Travel Fund comprises **Lárus Grímsson** and **Rósa Birgitta Ísfeld**.
- STEF is represented on the board of the RÚV and STEF Composers' Fund by **Pétur Jónsson** and **Þorbjörg Daphne Hall**; the Director General of RÚV also serves on the board. The alternates are **Hallur Ingólfsson** and **Þórunn Ósk Marinósdóttir**.
- The board of the STEF Music Health Fund comprises **Æsa Skúladóttir**, **Árni Þór Árnason** and **Ólafur Arnalds**.
- STEF is represented on the board of the Church and STEF Music Fund by **Hilmar Örn Agnarsson**, with **Hildigunnur Rúnarsdóttir** serving as his alternate.
- STEF is represented on the Copyright Council by **Karólína Eiríksdóttir**, with **Óttarr Proppé** as alternate.
- The Icelandic jury for the Nordic Film Composers Award comprises **Pétur S. Jónsson**, **Hilmar Oddsson**, **Margrét Örnólfsdóttir**, **Hilmar Örn Hilmarsson** and **Guðrún Björk Bjarnadóttir**. STEF administers the award 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**, **Gunnar Gunnarsson** and **Lára Bryndís Eggertsdóttir**.
- The STEF 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. However, it is not possible to apply for grants from this fund; instead, it supports established projects as determined by the STEF Board from time to time. In accordance with STEF's Articles of Association, official charges shall first be paid from the funds collected by the organization, followed by all operating expenses. Of the amount remaining, up to 10% of domestic revenue shall be allocated to the STEF Cultural Fund, subject to the further decision of the annual general meeting of the organization's Representative Council. Each year, funds from the Cultural Fund may, by decision of the annual general meeting of the Representative Council, be allocated to the activities of STEF's member associations. The associations shall have equal entitlement to allocations, provided that the funds are used for comparable activities. All disbursements from the Cultural Fund shall be transparent and itemized in the organization's annual financial statements, and the member associations shall provide a separate account of how the allocated funds were used.

The contribution to the Cultural Fund amounted to ISK 50.6 million in 2025. Of the cultural contribution, nearly ISK 11 million was allocated to each member association, the *Society of Composers and Lyricists (FTT)* and the *Society of Icelandic Composers (Tí)*.

Their reports on how the associations used the contribution can be found here in this report.

A breakdown of the use of funds from the Cultural Fund is provided in the annual financial statements and is as follows:

STEF's Cultural Fund:	2025	2024
Balance at the beginning of the year	1.054.123	1.706.419
STEF contribution	50.600.000	48.200.000
Available for allocation	51.654.123	49.906.419
Contribution to Tí	10.937.534	10.441.464
Contribution to FTT	10.937.531	10.441.464
Contribution for Samtónn	840.509	910.750
Contribution for Icelandic Music Day	408.330	1.081.058
Contributions for the Icelandic Music Awards	6.883.195	5.817.576
Contribution to the Iceland Music Centre	2.500.000	2.500.000
Contribution to the "Wind in Sails" project	0	600.000
Contribution to the Recording Fund	8.000.000	7.000.000
Board grants	1.450.000	1.500.000
Contribution to the Major Works Fund	4.760.000	4.400.000
Other contributions and cost sharing	3.013.986	4.159.984
Allocated during the year:	49.731.085	48.852.296
Balance at year-end:	1.923.038	1.054.123

ALLOCATION OF STEF'S CULTURAL CONTRIBUTION TO THE MEMBER ASSOCIATIONS

SOCIETY OF COMPOSERS AND LYRICISTS (FTT) - REPORT FOR 2025

FTT fulfilled its cultural role by continuing to provide services to its members, while also advocating for authors' rights on various fronts. The looming takeover of the music world by artificial intelligence featured prominently in the association's discussions and activities. Appeals were sent to media outlets, production companies and other parties that use music in the production of television and film content. They were urged to give priority to original Icelandic music—and to relegate artificial intelligence to the back seat. The association provided education, advice and assistance to authors, while also supporting emerging younger authors, for example through a special songwriting award at Músíktílaunir. A meeting was held in Stockholm with FTT's Nordic sister organisations under the auspices of NPU. In addition, representatives of the association attended meetings of the European organisation ECSA in Brussels and Ljubljana, Slovenia.

A special cultural excursion was made to Hafnarfjörður. Such trips beyond the city limits have become a regular part of the association's activities. Among other places, the group visited the historic Hljóðriti recording studio in Trönuhraun. Bæjarbíó was also visited, where musicians from Hafnarfjörður provided entertainment. Instead of the traditional garden party, members gathered at the Byrd concert venue in August. Finally, the association has advocated for the development and strengthening of Iceland Music, as its operation and vibrant activities are a key prerequisite for the continued growth and success of Icelandic music.

Cultural contribution 2025:	10.937.534	Expenses:	
		Salaries and related expenses	6.191.975
		Meeting and business expenses	268.433
		Travel expenses	738.705
		Association and membership fees	203.167
		Expensed tools and equipment	635.748
		Telephone and office expenses	254.144
		Website operation and computer equipment	376.782
		Accounting assistance	438.216
		Total:	11.442.108

ICELANDIC COMPOSERS SOCIETY (TÍ) - REPORT FOR 2025

STEF's cultural contribution to the Society of Icelandic Composers 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 the association's only employee. She works in a 20% position as the association's executive director and a further 20% as executive director of *Dark Music Days*.

Dark Music Days

An important part of the association's operations is the *Dark Music Days* festival. The festival executive director's salary is paid from the association's operating funds, while the festival is otherwise self-sustaining. The festival is immensely important to the development and growth of contemporary music in Iceland and has established a strong international reputation.

International cooperation

The chair's role includes participating in international cooperation, such as attending the *ISCM Festival*, which took place in Lisbon, Portugal, last autumn. The chair also attended a meeting of the Nordic composers' associations held in Copenhagen. The collaboration between *Nordic Music Days* and *Baltic Music Days* should also be mentioned; the chair attended the latter festival in Vilnius last year.

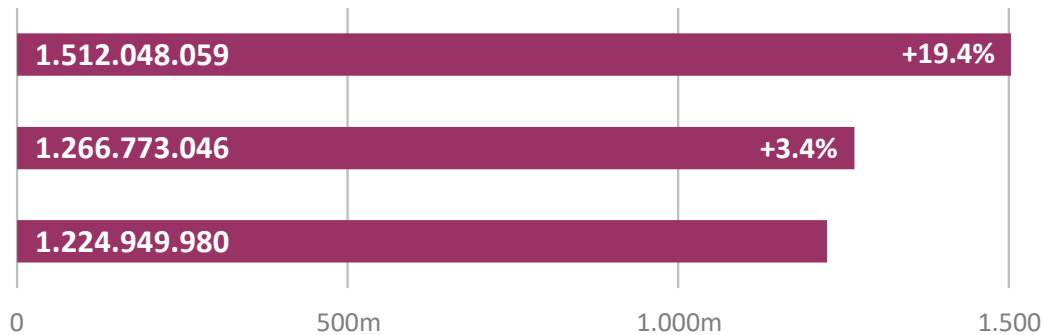
On behalf of the Society of Icelandic Composers,
Páll Ragnar Pálsson, Chair



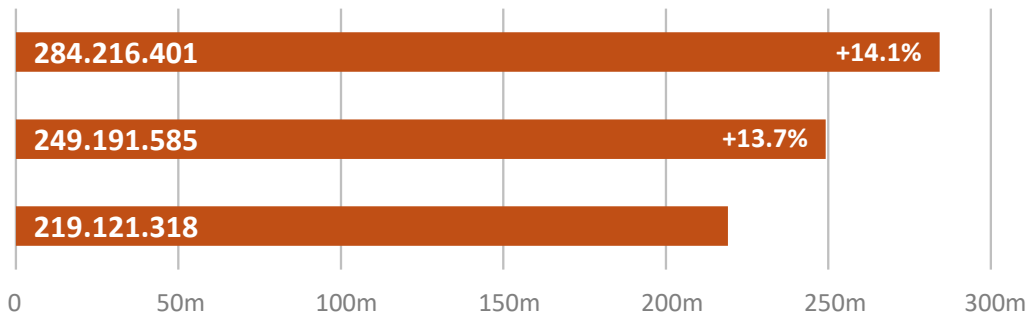
A glimpse of Dark Music Days 2026

A few key figures from the financial statement 2025

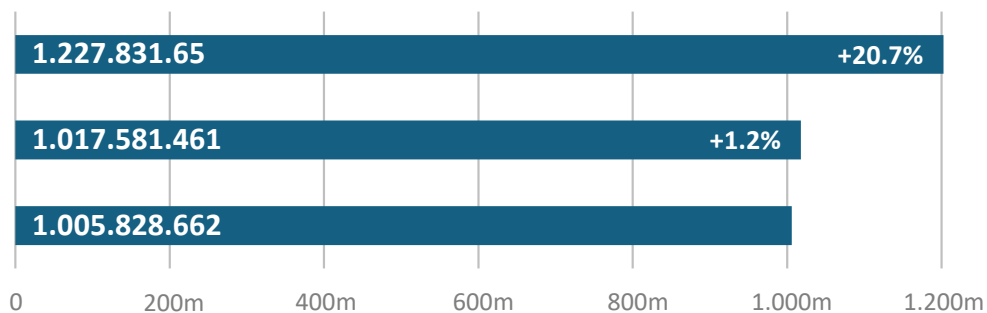
Operating income 2025



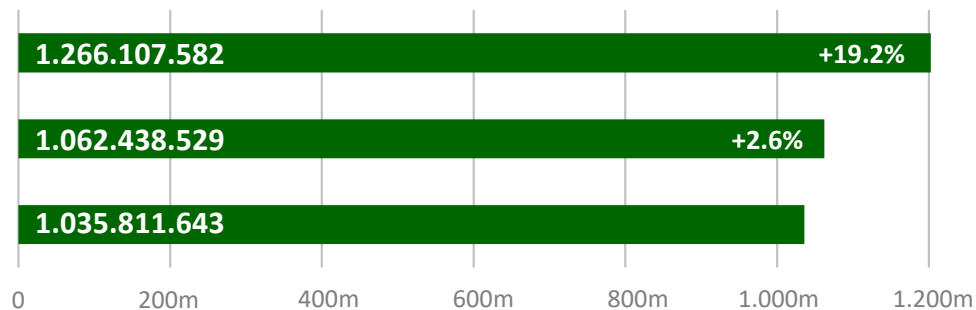
Operating expenses 2025



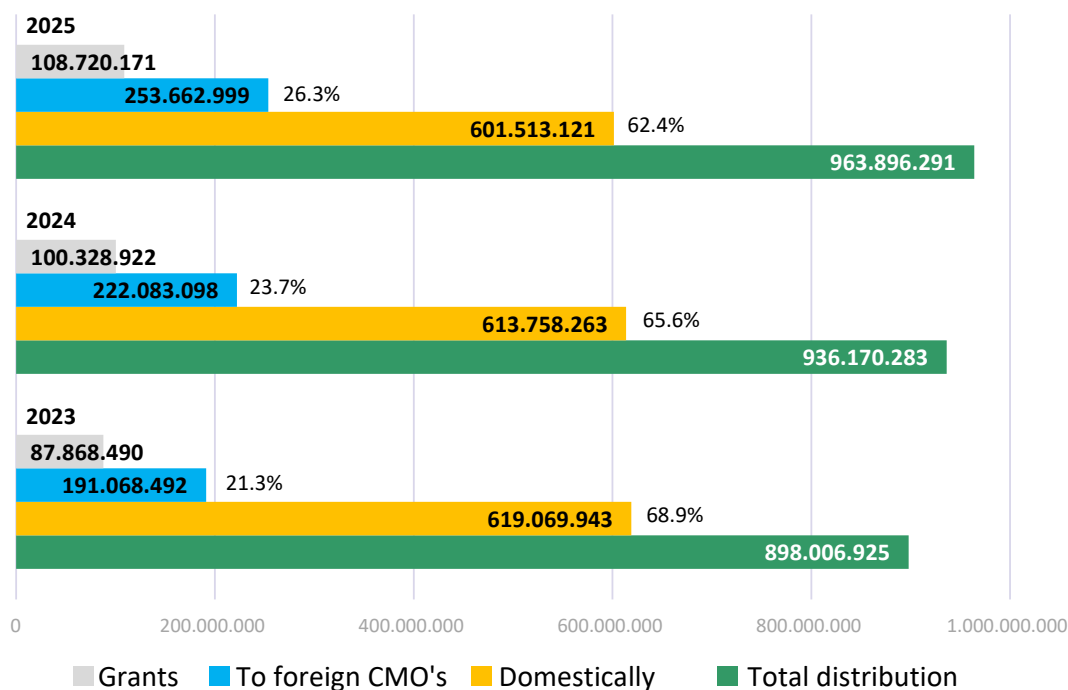
Net income of the year 2025



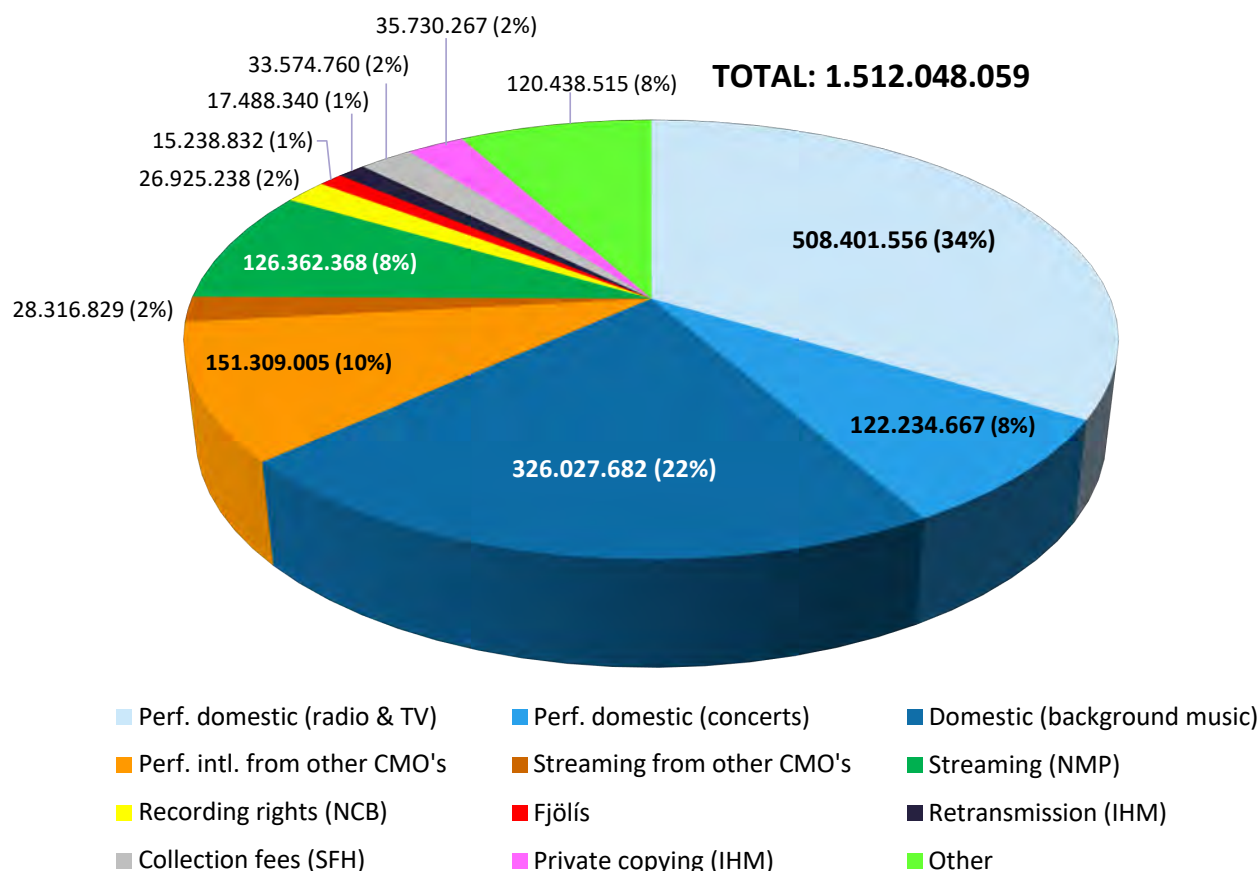
Net income after operating expenses 2025



Distributions - Overview



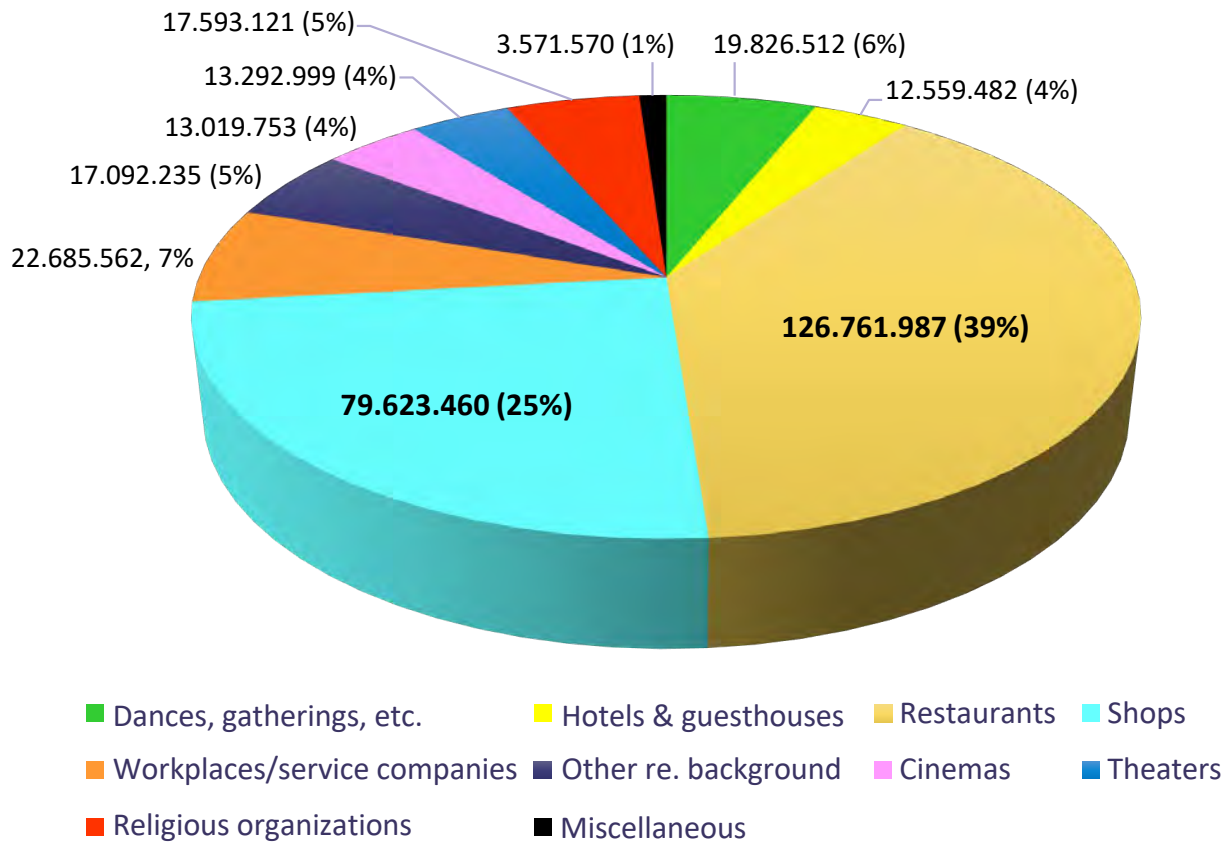
Division of operating income 2025



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

Division of domestic background music 2025

Total: 326.027.682



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 2025:		Deductable items:
112.257.503	Radio and television (VOD incl.)	20,4% cost-income ratio & 10% cultural contribution
155.531.001	Other "background income"	20,,4% cost-income ratio & 10% cultural
14.256.660	Premières	0
124.604.273	Sale of sound recordings & streaming (NCB & NMP)	Of NCB: 0% / Of NMP: 10% cult. contrib. & 3% surcharge
56.214.919	Live performance (concerts & other perf.)	10% surcharge *
138.648.765	International performance	3% surcharge
601.513.121	Total	

* Note: For each playlist allocated, the respective authors receive a 10% payment on top of the allocation.

Revenue from foreign sister organizations 2025

Foreign sister organizations collect copyright revenue on behalf of STEF, which then distributes it to STEF's rightsholders. Foreign performance-rights revenue in 2025 was distributed among countries as follows (of the total, just over ISK 28 million was from streaming):

USA	41.715.323	Czech Republic	684.536
UK	40.254.898	Ireland	491.764
Germany	22.087.333	Portugal	387.831
Denmark	16.942.609	Slovakia	355.218
Sweden	10.586.365	Lithuania	346.386
Finland	7.672.712	Hungary	322.554
The Netherlands	4.833.163	New Zealand	220.204
Italy	4.692.645	Chile	196.437
Switzerland	4.154.205	Romania	177.796
Canada	3.320.325	South-Africa	172.502
Norway	3.301.152	Turkey	170.963
Japan	3.208.712	Latvia	169.883
Belgium	3.146.944	Greece	163.709
Australia	2.244.023	Hong Kong	113.616
Poland	1.887.061	Croatia	103.054
Austria	1.830.056	Slovenia	83.667
Spain	1.023.684	Taiwan	82.481
Bulgaria	935.494	Columbia	43.930
Brazil	742.977	Malasia	31.244
Estonia	736.824	Total:	179.634.280

Note that our sister organization in France, Sacem, has in recent months been in dispute with the French tax authorities over the interpretation of rules governing cross-border payments. As a result, Sacem decided last year to freeze payments to sister organizations until the dispute is resolved. It is hoped that the matter will be resolved successfully in the near future.

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:

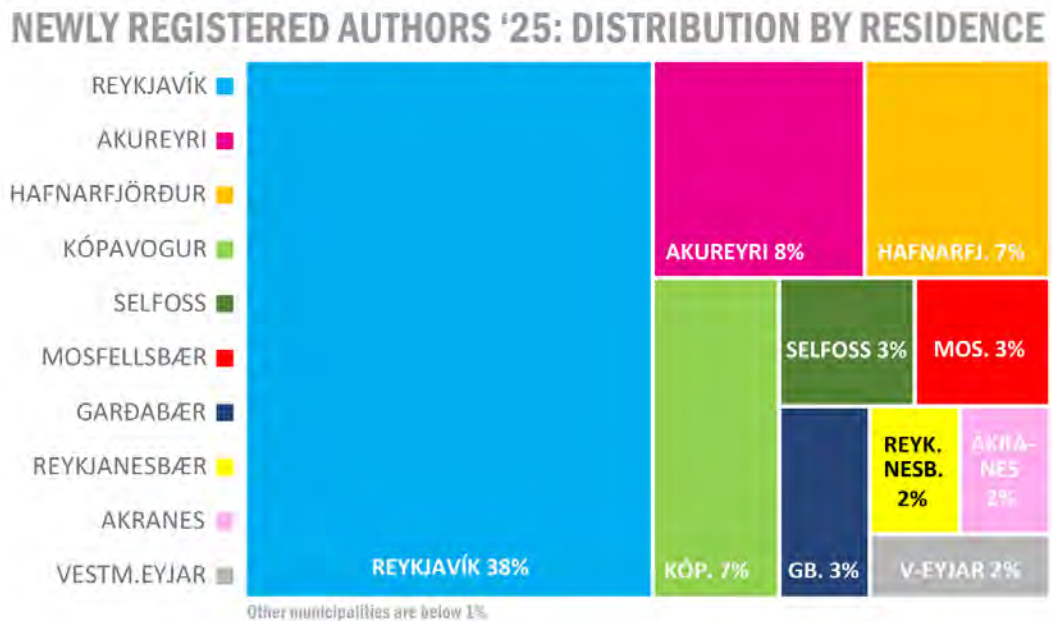
Other income from servicers in 2025:	
35.730.267	Distribution from IHM regarding private copying
33.574.760	Collection Fees from SFH (Society of Performers & Record Producers)
Special Income of Music Education Funds:	
15.238.832	Distribution from FJÖLÍS (Music Sheet Fund)
17.488.340	Distribution from IHM regarding cable radio (Recording Fund)
17.237.677	Special Income from RÚV (Composers' Fund of RUV & STEF)
3.000.000	Special Income, contribution of STEF (Composers' Fund of Bylgjan & Stöð 2)
Unpaid distrib. at the turn of 2025-26:	
92.599.849	Unpaid due to allocations
44.776.950	Unpaid withholding tax on distributions
259.712.989	Unpaid foreign allocation (STIM)
397.089.788	Total outstanding at year-end

Information on members & registrations 2025

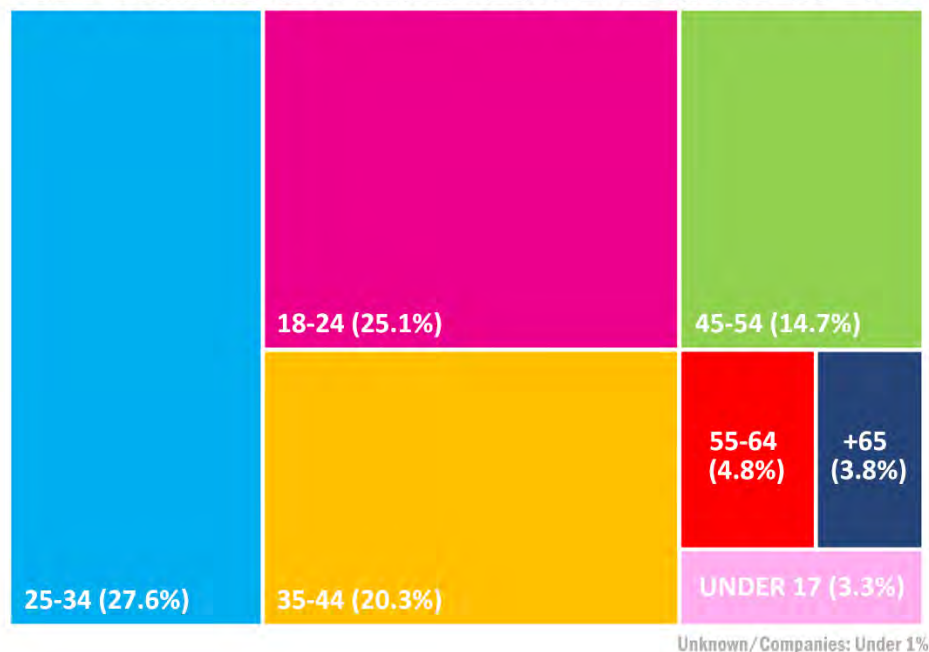
Registered authors as of year-end 2025	11.415
New authors registered in 2025	285
Registered works as of year-end 2025	129.678
Number of works with registered performances in 2025	16.809
Number of authors who received allocations in 2025	4.374

Newly Registered Authors - Statistics

Statistical snippets can be interesting. Last year, 395 new members registered with STEF. Men accounted for 72.5%, women for 26.7%, and non-binary people for approximately 0.7%. The new members collectively held rights in 1,867 works registered by the end of 2025. For interest, the age distribution of the new authors and their distribution by place of residence (rounded) are shown here. It is also worth noting that, among newly registered authors in Reykjavík, around 23% live in postal code 101 and approximately 18% in 105.

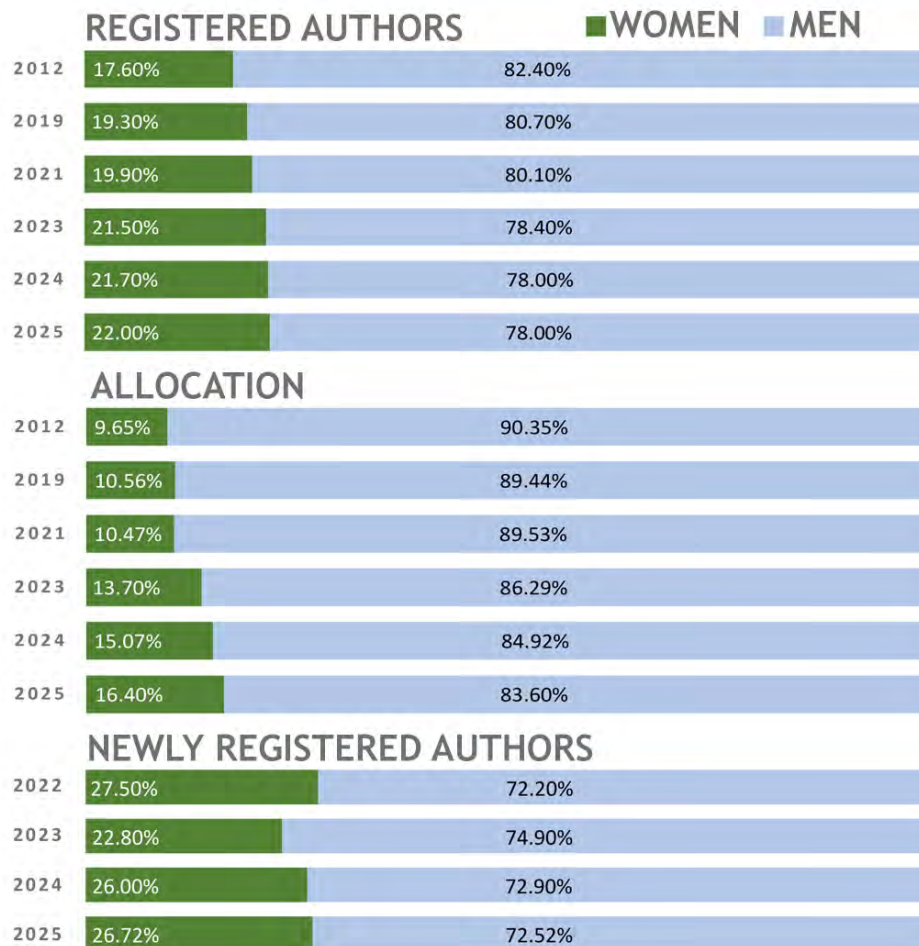


AGE DISTRIBUTION OF NEWLY REGISTERED MEMBERS 2025



Gender Analysis 2026

Each year, STEF analyses the gender distribution among composers. The number of women composers has gradually increased, and women now make up just over one fifth of the membership - indeed, the figure is approaching one quarter. Last year, however, women accounted for just over one quarter of newly registered members. Distributions to women composers increase year by year. Careful readers may notice that the figures add up to slightly less than 100%; this is explained by non-binary composers, who account for less than one percent.



Board and Staff Activities

During the financial year, nine board meetings and two Council of Representatives meetings were held. The average number of full-time equivalent positions at the STEF office was 11.1 during the year. The office has four employees in the service department, two in the sales and collection department, and five in support roles, one of whom also assists both the service department and the sales and collection department. Ten employees now work full-time and one works a 75% position. However, as stated above, the average number of full-time equivalent positions during the year was higher, due to staff changes and, in part, because salary was being paid during a notice period at the same time as a new employee had started in the same position.



Bríet Ísis and Þormóður Eiríksson carefully arrange their pictures on the “Langspil Wall”

Presentation of spring grants 2025 and 2026





21. May 2026