

FILIPINAS COPYRIGHT LICENSING SOCIETY, INC. (FILCOLS)

Distribution Policy

INTRODUCTION

The Filipinas Copyright Licensing Society, Inc. (FILCOLS) is a not for profit organization duly constituted in accord with sec. 183 and 230, RA 8293 as amended by RA 10372. FILCOLS is a collective licensing organization operating under a voluntary licensing scheme. It received mandates from authors, publishers, and heirs of authors; and from bilateral agreements with Reproduction Rights Organizations (RROs) in other countries which received mandates from their own rightsholders.

Mandates from rightsholders authorize the RRO to enter into licensing agreements with institutions and other consumers of copyrighted works.

The FILCOLS Distribution Policy adheres to the International Federation of Reproduction Rights Organizations (IFRRO) Code of Conduct and the IFRRO Distribution Policy.

FILCOLS shall distribute remuneration received to rightsholders

- efficiently and expeditiously;
- approximating actual use as far as possible;
- transparently, by publicising the distribution policy; and
- in accordance with applicable national and international laws.

FILCOLS shall clearly explain the management of funds not yet distributed.

FILCOLS shall deduct from revenues amounts of which they inform rightsholders as appropriate for their expenses and operating costs which:

- are proper and reasonable and in proportion to their actual efforts and services delivered; and
- in accord with and are authorised by applicable statutes and by national laws.

FILCOLS shall observe the principles that:

- charging and deduction practices are transparent; and
- equivalent transactions are subject to equivalent charges.

FILCOLS shall deduct from revenues the allocations for social and/or cultural purposes; and whenever they do so, the authorisation for, as well as the amount and nature of the allocation, is clearly explained to the rightsholders concerned.

FILCOLS shall avoid discrimination on grounds of nationality, gender, religious belief, political persuasion, and others.

FILCOLS shall ensure that the total of the amounts deducted from the revenues is reasonable and reflects the service it rendered to the members.

LICENSING REVENUES

FILCOLS represents local and foreign rightsholders whose works are reproduced in institutions via photocopying and other means including digital copying. FILCOLS recognize that some use of works may be covered by Fair Use. The FILCOLS license covers uses of works which may be beyond Fair Use such as when the photocopying is massive, systematic, and for institutional use.

FILCOLS receives revenues from the voluntary licensing agreements it negotiated in the Philippines on behalf of local and foreign authors, publishers, and other rightsholders.

FILCOLS also receives revenues from foreign RROs for the licensing schemes in their territories for the use of Filipino works.

FILCOLS offers two licensing schemes: Blanket Licensing and Transactional Licensing.

Blanket Licensing offers institutions the entire repertoire managed by FILCOLS. Transactional Licensing or copyright clearance offers institutions limited number of works which is dependent on the licensee's requirements.

Revenue from FILCOLS's Blanket Licensing shall be held in different revenue pools (Schools, Universities, Organizations, and Businesses.)

Revenue from FILCOLS Transactional Licensing shall be held separately and licensees shall provide FILCOLS with records of all their copying activities for invoicing purposes and for distribution purposes.

AMOUNT AVAILABLE FOR DISTRIBUTION

The amount available for distribution from license revenues (Blanket, Transactional, and Foreign remuneration) received in an accounting period shall be divided as follows:

License revenues received

Plus Interest earned on Time Deposit

Less Administration Fees (30% standard rate deducted by majority of RROs)

Less Cultural Fund (1% or as determined by the FILCOLS Board)

Equal Amount for Distribution (Distributable Fund)

Trust Period

Blanket License Distributable Fund shall be held in interest bearing Time Deposit accounts for a period of at least five years (or as determined by the FILCOLS Board) from the end of the accounting period when the revenues were received. After the trust period, the fund is distributed to the appropriate rightsholders. The FILCOLS Board may extend the trust period if it is deemed necessary.

The operating costs of FILCOLS may be sourced from interest earned while the fund is in trust.

The Blanket License Distributable Fund shall be divided as follows:

For local rightsholders

60% shall be distributed to authors and their heirs, and

40% shall be distributed to publishers.

For Authors

Where there are two or more authors identified in the work, the author whose surname is ahead in the alphabet shall receive the distributable fund and shall sign a warranty that s/he shall distribute the fund with the other authors fairly.

For Editors

The editor shall receive the fund and shall sign a warranty that s/he shall distribute the fund among the other authors fairly.

For Publishers

Publishers who were mandated by authors to manage their reproduction rights shall receive the fund and shall share it based on the contracts between them.

For foreign RROs

Fund for foreign rightsholders shall be remitted only to countries where a national RRO is duly constituted. Funds shall be transferred only to RROs which signed a Type A bilateral agreement with FILCOLS. RROs which signed a Type B bilateral agreement with FILCOLS shall be notified of the fund while it is held in trust.

Transactional License Distributable Fund

The transactional license (or copyright clearance) distributable fund shall be held in trust for three years (or as determined by the Board) for the following reasons:

1. If the rightsholders are not yet determined or properly identified; and
2. If the works are not yet determined or properly identified;

If FILCOLS and the licensee has determined with certainty or properly identified the rightsholders and their works, the transactional license (or copyright clearance) distributable fund shall be allocated as follows:

Step 1. $\text{Net Transactional License Fund} / \text{Total Number of Works} = \text{Distributable fund}$

Step 2. Distributable fund shall be divided

-between the author and the publisher

-among the author, the editor/s, and the publisher.

Authors, publishers, or heirs of authors who are not yet members of FILCOLS shall be encouraged to join when they are notified of the available amount for distribution.

FILCOLS DISTRIBUTION COMMITTEE

Chair: Abdon M. Balde Jr. (author)

Members

Gemino H. Abad (author)

Jose Paolo M. Sibal (local publisher)

Olan de Vera (foreign publisher)

Note: This Distribution Policy shall be posted in the FILCOLS site and disseminated to all members and sister RROs abroad.