

**Contract of Reciprocal Representation for the Collection of Artist's  
Resale Right/Droit de Suite Royalties**

**Between**

**Artists' Collecting Society CIC** whose registered office is at 17-19 Garway Road London W2 4PH ('**ACS**')

represented by its executive chairman Harriet Bridgeman

*and*

**CROATIAN COLLECTING SOCIETY OF FINE ARTISTS** whose registered office is at Zagreb, Ribnjak 40, OIB: 95573191476 Republic of Croatia ('**ARS CROATICA**')

represented by its general counsel Silvije Hraste

In this contract ACS and ARS CROATICA are together referred to as 'the Contracting Societies'

**Whereas:**

1) Croatia is listed in Schedule 2 of The Artist's Resale Right Regulations 2006 [SI 346] ('the 2006 Regulations') as a country outside the European Economic Area whose nationals are qualifying individuals who meet the nationality requirements of reg. 10 and accordingly may enjoy resale right in the UK

2) The European Commission is currently reviewing the operation and effect of the Resale Right Directive 2001 [2001/84/EC] which may result in amendments to the Directive (including without limitation to art. 8) and to the national legislation of the Contracting Societies

**It has been agreed as follows:**

**Article I**

1a) By this contract, ACS confers on ARS CROATICA the mandate to represent ACS in the territory administered by ARS CROATICA which territory is specified in article IX of this contract, for the purposes of control and collection of Artist's Resale Right royalties on behalf of ACS' members.

b) Reciprocally, ARS CROATICA confers on ACS the mandate to represent ARS CROATICA in the territory administered by ACS which territory is specified in article IX of this contract, for the purposes of control and collection of Artist's Resale Right royalties on behalf of ARS CROATICA' members.

2) The rights, the exercise of which by the Contracting Societies are the subject matter of this contract, are rights and prerogatives of a pecuniary nature



granted to creators of graphic and plastic works and of photography according to both national and international law in force in the territory administered by each Contracting Society.

The rights are:

- for ACS: Artist's Resale Rights/ Droit de Suite.
- for ARS CROATICA: Artist's Resale Rights/ Droit de Suite

The Contracting Societies acknowledge that the 2006 Regulations (as amended by The Artist's Resale Right (Amendment) Regulations 2009 (SI 2792)) provide that the successors in title of a deceased artist may not exercise Artist's Resale Right/Droit de Suite in the territory administered by ACS until 1<sup>st</sup> January 2012.

3) The works to which the rights apply include both graphic works (including photographs) and plastic works, whatever the means of reproduction and dissemination used, the processes by which the works are obtained and their manner of being fixed, and more particularly works of drawing, painting, sculpture, engraving, tapestry, mosaic, stained glass, architectural production, photography etc.

## **Article II**

By the mandate conferred by Article I above, each of the Contracting Societies is enabled, to the extent of its powers resulting both from the Acts of admission of its members and from its own Statutes and Rules, from this contract and the law in force in its territory of administration to do the following:

- a) Collect all royalties arising as a result of authorisations granted by member artists;
- b) Collect all sums which might be due by way of compensation or damages and interest
- c) Settle disputes, refer to arbitration, and institute all necessary legal proceedings but strictly subject, nevertheless, to the Contracting Society obtaining the prior consent in writing of the other Contracting Society. For the avoidance of doubt it is in one Contracting Society's absolute discretion whether or not to give the other Contracting Society consent to institute legal proceedings. Further, any proceedings which are so authorized by one Contracting Society must be brought by the other Contracting Society and can not be raised by a third party
- d) Undertake generally all acts and steps in order to ensure the better administration of the rights in respect of which this mandate is conferred.



### **Article III**

This contract being personal to the Contracting Societies and concluded on that basis, it is agreed that without the express written authorisation of one of the Contracting Societies, the other Contracting Society may not assign or transfer to a third party, in any way whatsoever, all or part of those rights, obligations, prerogatives, capacities and other objects arising from this contract and more especially from Article II above.

### **Article IV**

1) Throughout the duration of this contract, each of the Contracting Societies shall refrain from any interference in the exercise by the other Contracting Society of the rights granted by this contract.

Each of the Contracting Societies undertakes in particular not to enter into any direct communication with the members of the other Contracting Society but to make any such communication, if need be, through the intermediary of the other Contracting Society.

2) Each of the Contracting Societies undertakes to make available to the other Contracting Society all documents useful for the collection that it is asked to make by virtue of this contract.

3) Each of the Contracting Societies in particular undertakes to inform as soon as reasonably possible the other Contracting Society of the admission of new members and of resignations of members and will send to the other Contracting Society, upon request, a copy or photocopy of the mandate the Contracting Society holds from a member, such copy or photocopy to be certified as complying with the requirements of the Contracting Society's constitution and to be a true copy of the original document.

4) Each of the Contracting Societies shall place at the disposal of the other Contracting Society all useful documents and facts, in order to enable the other Contracting Society to perform its obligations under this contract in a proper and efficient manner

### **Article V**

Each Contracting Society undertakes to assert in its own territory of administration the rights of the members of the other Contracting Society in the same way and to the same extent as it does for its own members and in particular to apply to sales of works of the members of the other Contracting Society the same charges, methods and means of collection, inspection and distribution of royalties as it does to sales of the works of its own members.



The same will apply accordingly in particular to the rules of distribution applicable by each of the Contracting Societies in cases where collection is not made work by work but outright and by lump sum for the whole of the works of members of the Contracting Society.

#### **Article VI**

1) The members of each of the Contracting Societies will be represented by the other Contracting Society, by virtue of this contract, without their being required to perform any formalities as regards the representing Contracting Society nor belong to the same.

2) It is agreed that each of the Contracting Societies will only accept as members artists eligible to receive Artist's Resale Right royalties as defined in Directive 2001/84/EC of the European Parliament and of the Council in Articles 6 and 8

All differences or difficulties which might arise between the Contracting Societies in relation to the belonging of a member shall be settled amicably between them, in the greatest spirit of compromise and in the best interests of the member concerned.

#### **Article VII**

As regards the total collection made in furtherance of this contract the Contracting Societies will apply the following reciprocal deduction rate(s):

ACS: 15%

ARS CROATICA: 15%

#### **Article VIII**

1) Each of the Contracting Societies undertakes to supply the other Contracting Society, at the latest 60 days following the expiry of each six month period, with an account of the royalties received in respect of that 6 month period in its territory of administration for the benefit of the other Contracting Society. The first 6 month accounting period is 1 April 2011 to 30 September 2011 and the first statement is due by no later than 31 November 2011.

2) The statement of account will include a list of the royalties collected during the 6 months period and the following information:

the name of each member, the title of the work sold, the name of the seller, the date of sale, the sale price, the gross royalty, and the net royalty payable

3) The statement of account will be accompanied by a payment in Euro corresponding to the total of the net royalties appearing on the summary (i.e.



after applying the rates of deduction specified in Article VII) but with no other deductions for withholding tax or otherwise.

### **Article IX**

For the purposes of application of this contract:

- 1) the territory of administration of ACS is the United Kingdom
- 2) the territory of administration of ARS CROATICA is the Republic of Croatia

### **Article X**

1) Each of the Contracting Societies may seek the advice of the Administrative Council of the International Confederation of Societies of Authors and Composers about any difficulty which may arise between the Contracting Societies regarding the interpretation or the performance of this contract.

2) If need be, the Contracting Societies may mutually consent to submit to the arbitration of the Administrative Council of the International Confederation of Societies of Authors and Composers.

3) If the Contracting Societies do not consider it appropriate to submit to the arbitration of the Confederation and in the absence of mutual agreement the competent Court of jurisdiction shall be that in which the defendant Contracting Society is domiciled.

### **Article XI**

Notwithstanding the provisions of Article XII of this contract:

1) ARS CROATICA accepts that it will automatically terminate if Croatia ceases to be listed in Schedule 2 of the 2006 Regulations

2) the Contracting Societies accept that it may be terminated at any time by one of the Contracting Societies if alterations or amendments are made to the Statutes or to the general or internal Rules of the other Contracting Society so as to modify in an appreciably unfavourable manner the enjoyment or exercise of the patrimonial rights of the authors belonging to the Contracting Society instigating the termination.

### **Article XII**

This contract shall come into force on 1 April 2011 and be renewed from year to year by tacit agreement, unless the contract is terminated by one of the Contracting Societies giving written notice to terminate to the other Contracting Society (sent by recorded delivery) not less than 3 months before the date of expiry of any 12 month period. Accordingly, subject to the provisions of Article



XI, the earliest date on which this contract can be terminated by either party under this Article XII is 31 March 2012.

Made on the March 2011

**Signed by** Harriet Bridgeman

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on behalf of ACS

*Silvije Hraste*  
.....

**Signed by** Silvije Hraste

on behalf of ARS CROATICA

