



Transparency Report for the year ending 31stDecember 2019

This report contains the following information that is required by the Collective Rights Management (CRM) Regulations 2016:

1. IVARO's legal and governance structure
2. Report on activities in the year
3. Information on refusals to grant a licence
4. Remuneration for Directors and management personnel
5. Special Report - Social, cultural and education services.

This transparency report should be read in conjunction with the IVARO Financial Statements for the year 2018 available on the IVARO website.

1. Legal and Governance Structure

IVARO is a company limited by guarantee (CLG) without a share capital. Company registration number 403922. IVARO is governed by a board of directors who guide the organisation to fulfill mission of ensuring visual creators rights are respected and appropriately rewarded. The current governing document is the IVARO Constitution which was adopted on 5th of January 2017. IVARO is governed by a voluntary board of directors which consists of artist members and co-opted members with particular professional expertise. The directors who served during 2019/2020:

Robert Ballagh	IVARO Chair and Visual Artist
Samantha Holman	IVARO Secretary and Executive Director ICLA
Pearse Ryan	Solicitor
Sean Molloy	Visual Artist
Declan Mulligan	Visual Artist

IVARO is a member of The International Confederation of Authors and Composers Societies (CISAC). With 229 members – authors' societies from 121 countries – CISAC is an international NGO representing about 3 million creators and publishers of artistic works in all genres including music, drama, literature, audio-visual and the visual arts. IVARO is also a member of European Visual Artists (EVA) which represents visual artists collecting societies exclusively.

IVARO operates on a not-for-profit basis which means that we charge artists a fee to cover the costs of providing our services. Our administration fee is 15% for the Artists Resale Right and 25% for copyright

licensing. IVARO does not take any commission on royalties collected for our members from outside of Ireland.

2. Report on Activities in the Year

In 2019 the three core services offered to IVARO members, visual creators and their beneficiaries. Copyright Licensing, Artists Resale Right and RETURN have been maintained.

Copyright Licensing

In 2019 there was a significant increase in licensing revenue to €63,978. This income comes from royalties collected through individual licences issues by IVARO for the reproduction and communication to the public of our members works. Our copyright licensing service which connects the creators, owners and users of artworks by providing simple and cost effective ways for people to reproduce and store images. In 2019 we continued to have a dedicated Licensing Officer who manages all requests to use our member's works. Our customer base has grown to include book publishers, galleries, museums, universities and media companies.

While the income for copyright licensing is remains modest, it is an important service for members who feel secure that their work is being professionally licensed and their copyright respected.

Artists Resale Right

The Resale Right entitles artists (and their beneficiaries) to receive a royalty each time their work is resold on the art market, with certain conditions. IVARO works to collect royalties not just from sales in Ireland but also internationally through our network of sister societies around the world. In 2019 nearly €63,978 was collected, a significant increase on 2018. Some of this can be attributed to delays in collection in 2018 which were rectified in 2019.

The relatively small number of artists who have benefited can be attributed to the high threshold of €3,000. Irish artists do not share in the proceeds when their works sell for less than this amount. The threshold is only €1000 in the UK and is set substantially lower in most other EU countries.

IVARO continues to campaign for improvements to the Artists Resale Right regulations. The current regulations do not provide an effective mechanism for the collection of royalties. The high threshold also prevents younger and less well established artists from benefiting from the right. Our research shows that lowering the threshold from €3,000 to €1,000 would increase the number of artists who could benefit from the resale right by 70%.

It has never been more important for us to ensure that government are pressurised into putting primary legislation forward that lowers the threshold, clearly defines the role of a compulsory collecting society such as IVARO and the obligation for proper and timely reporting and payments.

RETURN

Our RETURN service distributes photocopying royalties to visual creators whose artworks have been reproduced in books and periodicals published in Ireland. Artists and rights holders can claim royalties

from IVARO if their work has featured in a book, periodical or magazine. The royalties come from a collective licensing scheme for photocopying which is operated by the Irish Copyright Licensing Agency (ICLA). IVARO negotiates a share of this revenue on behalf of visual creators whose works are reproduced in Irish publications. The revenue is collected and distributed to artists and rights holders once a year through our RETURN service. In 2019 we doubled the number of visual creators in receipt of RETURN royalties and the average payment increased by 45%.

Payments made to 432 visual creators.

Amount distributed: €26,758

Average Payment: €147

Highest: €720

Minimum: €12

Membership

In 2019 membership of the organization remains at 1,565 visual creators and artists' beneficiaries. IVARO also exercises and protects the rights of over 40,000 visual artists worldwide. Through agreements with visual creators' societies overseas our members' works are managed abroad on the same basis as they are in Ireland. IVARO's services operate both in Ireland and in 25 other countries. IVARO does not take any commission on royalties collected for our members by our affiliates.

3. Information on refusals to grant a licence

IVARO acts as an intermediary between copyright holders and copyright users to negotiate licenses, which allow for the reproduction of artists' works. IVARO handles the licensing of our members' creative works and the works of our sister societies around the world ensuring appropriate payment, terms and conditions.

We process licensing applications that originate in Ireland on behalf of our members and members of our affiliates. We will also process applications on behalf of our members when the application comes from countries where we do not have an affiliate.

IVARO does reserve the right to refuse to grant a licence in certain circumstances, such as if our member instructs us to do so, in which instance we will inform the client without delay. This situation has not arisen during the period covered by this report.

4. Remuneration for Directors and management personnel

The directors of IVARO act in a voluntary capacity and received no payments or other benefits during the year.

IVARO Manager: n/a*

*In May 2018 the administrator resigned and the board took advantage of this to restructure the administration of the organization to save costs and to evaluate the financial viability of the organization in the absence of improved legislation in relation to the collection of the Artists Resale Right. It was agreed that the day to day administration would be carried out by the Irish Copyright Licensing Agency

for 24 months and the viability then be re-evaluated. This means that the Manager role is carried out by an ICLA staff member seconded to this role.

Administration Charges

For the year 2019 IVARO retained the following administrative charges on royalties collected:

Primary and collective rights: 25% of total collections

Resale Rights: 15% of total collections

5. Special Report - Social, cultural and education services.

IVARO does not use any royalties collected to fund social, cultural or education services. However, due to the receipt of non-title specific money for private copying in other EU member states in 2019 this will be reviewed for 2020.

Company Information

Registered office:

63 Patrick Street,
Dun Laoghaire
Co Dublin

Auditors:

Byrne Moreau & Connell
Harmony Row
Dublin 2

Company Number: 403922

Code of Conduct:

As a member of CISAC, IVARO is bound by the Professional Rules, relating to its conduct, governance, transparency, financial disclosure, administration, licensing and collections as well as the Binding Resolutions covering documentation and distribution.

IVARO is registered with the Irish Patents Office in the Register of Copyright Licensing Bodies.

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