

Licensing Schemes and Class of Rights Holders

Introduction

The Artists' Collecting Society (ACS) is a Community Interest Company (CIC) dedicated to the collection and distribution of the **Artist's Resale Right (ARR)** and **copyright** on behalf of visual artists and visual artists' estates. We collect **Artist's Resale Right (ARR)** on resales of visual artists' work and our **copyright** service provides clearance for reproductions of copyright-protected artworks. As a CIC, ACS is a not-for-profit company and must use any profit that is made for the benefit of the artistic community. ACS also operates by mandate, meaning the company only collects royalties throughout the EU for artists who have specifically mandated them to do so.

ACS is a member of The International Confederation of Authors and Composers Societies (CISAC) and the British Copyright Council (BCC).

ACS also has agreements with several sister collecting societies for the collection of Artist's Resale Right royalties throughout the EU. These are ADAGP (France), VG Bild-kunst (Germany), Bildrecht (Austria), Bildupphovsrätt (Sweden), CopyDan (Denmark), LITA (Slovakia), Pictoright (Netherlands), SABAM (Belgium), SIAE (Italy), and SPA (Portugal).

Artist's Resale Right

The Artist's Resale Right is a royalty generated on the sale price of original works or art that are sold on the secondary market, through an Art Market Professional (an auction house, gallery or dealer). It was introduced into UK law in 2006 and the threshold at which it would apply was set at €1,000. In 2011, an amendment to the legislation extended the Right to the estates of deceased artists in the UK, which came into force on 1st January 2012.

Under the UK regulations, the Artist's Resale Right can only be administered by a registered collecting society, requiring artists or

their estates to mandate a collecting society, such as ACS, to do so on their behalf.

Visual artists who are EU citizens, and their estates, qualify for the Artist's Resale Right and can therefore appoint ACS to administer the Artist's Resale Right on their behalf. This is done by signing a mandate agreement. You can see a copy of this agreement on ACS' website. By doing so, the artist or estate appoints ACS as the sole body that can collect the Artist's Resale Right on their behalf in the UK. There are no fees or membership costs to register with ACS and you can join ACS on the company's website.

Once appointed to collect the Artist's Resale Right on behalf of an artist or estate, ACS will track sales of the artist's or estate's work throughout the UK and Europe. This is done through a variety of methods, including a sales information request which is sent to Art Market Professionals throughout the UK every quarter. Royalties are then collected from the sellers and distributed directly to the artist or their estate at the end of the month in which they are received. These royalties are calculated using the sliding scale, as outlined in Schedule 1 of Regulation 3 (3) of the The Artist's Resale Right Regulations 2006 (2006 No. 346). The sliding scale is reproduced below.

Royalty	Resale price
4%	up to €50,000
3%	between €50,000.01 and €200,000
1%	between €200,000.01 and €350,000
0.5%	between €350,000.01 and €500,000
0.25%	in excess of €500,000

This scale is also cumulative. For example, the royalty payable for an art work sold for €200,000 would amount to €6,500. This is made up of:

1st tier (up to €50,000) will attract a royalty of 4%, ie €2,000

2nd tier (€50,000.01 to €200,000) will attract a royalty of 3%, ie €4,500

Royalties are also capped so that the total amount of the royalty paid for any single sale of a work cannot exceed €12,500. This cap applies to sales that reach a price of €2 million and above.

Please see the ARR calculator on the ACS website for more details.

Distributed royalties are accompanied by a payment statement which details:

- the title of the work(s) sold
- where the work(s) was / were sold
- the date of the sale of the work(s)
- the sale price of the work(s)
- the Artist's Resale Right royalties that apply
- the 15% deduction of ACS commission
- the net payment made to the artist or their estate.

As ACS does not charge fees or membership costs, we cover our administration costs by deducting a 15% commission from ARR royalties collected.

ACS members can terminate their agreement with ACS for the collection of Artist's Resale Right by providing three months' notice in writing.

Copyright

The ACS copyright service manages copyright on behalf of artists and estates who have appointed us to do so. It was established to increase the income of artists and their estates and to relieve them of the administrative burden of handling the copyright themselves.

Through our copyright service, we negotiate and manage licences for the reproduction of our members' artworks. We will always insist that the artist or artist's estate is fully credited when any of these images are reproduced. We also endeavour to police all reported licensing infringements and to act accordingly and will provide advice and support if a member's works is used without permission. Our service is personalised to provide for the wishes of our members so that artists and artists' estates are able to maintain total control over the usage and distribution of their work. Furthermore, artists and estates are able to specify instances in which they might wish copyright fees to be waived, for example in the use of educational literature.

Artists and their estates can appoint ACS to manage their copyright by signing a five-year contract. If you would like to see a sample copy of the ACS copyright agreement, please contact us. There are no fees or membership costs to register with ACS for the management of your copyright and you can join ACS by contacting us.

We charge fees for all copyright licences for artists or estates who have appointed us to do so, except in circumstances in which the artist or estate wishes to waive copyright fees. Copyright fees are paid to our artists or estates on a quarterly basis with a statement detailing the following:

- the title of the work(s) used
- how / where the work(s) was / were used
- the company that requested the use
- the medium of the use
- the exchange rate (if applicable)
- the royalty paid
- the percentage of the royalty the artist or estate receives
- the net payment made to the artist or their estate.

As ACS does not charge fees or membership costs, we cover our administration costs by deducting a 25% commission from copyright fees collected.

ACS members can terminate their agreement with ACS for the management of their copyright by providing seven days' notice in writing.

Distribution of Royalties

Members are paid royalties based on the portion of the royalty they are entitled to receive. Living artists are, for example, entitled to 100% of the Artist's Resale Right. However, where multiple beneficiaries have inherited a royalty, the percentage per beneficiary will naturally be lower.

ACS distributes both Artist's Resale Right and copyright royalties to all members at the end of the month in which they were received providing we hold current correspondence and correct bank details. Payments are normally transferred on the last working day of the month.

The distribution includes all royalties that were paid to ACS on or before the 24th of each month.

The total of each payment must reach the ACS payment threshold of £10.00. If the total payment due does not reach the £10.00 payment threshold, the monies will be held until other royalties are collected. Payment will then be made at the end of the month in which the threshold has been reached.

ACS only administers royalties on behalf of artists and artists' estate for whom we hold a mandate. By doing so we hope to ensure that we are able to pay all royalties as and when they are received.

If payment is returned to ACS due to incorrect details, the royalties will be held until the member can be contacted and the correct payment details can be provided. Payment will be made at the end of the month in which the correct details have been provided.

If royalties are non-distributable, ACS will do its utmost to locate the correct rights holder in order to pay them. If after six years ACS is not able to locate the correct rights holders, ACS will return the royalties to the source from whence they came.