



2023

SANASTO'S YEAR

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in 2005 by writers and translators in Finland

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Finnish Literary Copyright Society Sanasto

Sanasto is a literary copyright society established in 2005 by writers and translators in Finland.

As an association authorised by the Ministry of Education and Culture in Finland to issue licences and conclude contracts, Sanasto administers copyright loan remunerations to writers and translators, and supervises the use of literature on radio and television.

Sanasto also issues licences for performances of reading or reciting literature at public events and for the use of single poems or excerpts of texts as a part of a new publication.

Sanasto operates in the following areas:

- Lending of works from libraries
- Use of literature on television and radio programmes and in broadcasting companies' electronic services and archives
- Digitising of literature in libraries, archives and museums
- Personal copy loans from Accessibility Library Celia
- Public Performance of Literature
- Use of texts as part of new publications and event materials as well as on post-cards
- Use of texts as part of exhibitions

In addition to services to the authors and users of literature, a major role in our activities is participating in public debate. We strive to actively promote general understanding about copyright and to guide the public debate and legislation on copyright issues towards attitudes advantageous to authors both on a national and on an international level.

The clientship of Sanasto

If you are a literary author, you can become a client of Sanasto. You have written or translated a copyrighted text that is published, for example as a printed or electronic book or performed live.

We represent, impartially, the entire literary field in Finland: the writers of fiction, non-fiction and textbooks, poets and translators.

We offer our clients legal counselling in matters relating to copyright and, together with our member organisations, assist rights holders when their copyright has been infringed and in matters related to the secondary use of works.

The strategic aims of our organisation are:

- to protect and develop the legislation relating to the rights of the authors and translators;
- to influence the public debate and political decisions on matters concerning copyright;
- to offer advice and information on copyright matters to authors and translators and to make literature more easily available to the public;
- to conclude contracts on the collective use of literary works on behalf of authors and rights holders
- to serve the users of literary works by granting licences, collecting royalty payments and distributing them to authors.

The member organisations

The member organisations of Sanasto are the Union of Finnish Writers, the Finnish Association of Non-fiction Writers, the Society of Swedish Authors in Finland and the Finnish Association of Translators and Interpreters.

Co-operation

Sanasto co-operates closely with other copyright organisations both in Finland and abroad, for example with the Luovatyöry and the Copyright Information and Anti-Piracy Centre in Finland.

Copyright remuneration

As an extended collective licensing organisation approved by the Ministry of Education and Culture and through client contracts, Sanasto administers copyright remunerations in the following areas:

Lending of works from public or university libraries

The public lending right remuneration is a form of copyright remuneration paid to an author as compensation for their works being available from libraries free of charge.

Remuneration is paid on the basis of the number of times the works have been borrowed and it is always based on the previous year's lending statistics. Sanasto collects the remunerations and distributes it to the authors and translators.

In 2023, a total of EUR 12,1 million was distributed in public lending right remuneration.

Use of literature on radio and television programmes and in archives

Sanasto collects remunerations for the use of literature on radio and television programmes according to the reports provided by the broadcasting companies.

Finnish National Broadcasting company Yle and Sanasto have also agreed on the online publishing of Yle's self-produced content. Archive remuneration applies to Yle's own programme productions in which literature was used and which were first broadcast over five years ago.

In 2023, approx. EUR 64,000 was paid in remuneration for radio and television use of literature. The amount of radio and television archive remuneration was approx. EUR 116,000.

Celia's audiobooks

Accessibility Library Celia produces literature in accessible formats for the visually impaired. Sanasto collects remuneration for personal copies of audiobooks produced by Celia as well for the sales of recorded textbooks.

Textbook remuneration is based on the compulsory licence under Section 17 of the Copyright Act: the author is entitled to remuneration for sales but cannot forbid the use of one's works.

In 2023, approx. EUR 144,000 was paid in remuneration for Celia's operations.

Public performance of literature and use in publications and exhibitions

Sanasto collects remuneration for its clients for the public performance of literature at various events. We also distribute remunerations for the use of poems and text extracts in leaflets and new publications such as textbooks.

Sanasto also collects remunerations for its clients when individual poems or text extracts are on display, for example, in an art exhibition.

In 2023, approx. EUR 145,000 was paid in compensation for performance, publication and exhibition use.

Use of literature in libraries, archives and museums

Sanasto collects and distributes remuneration, for example, from the National Library's digitalisation projects.

In 2023, approx. EUR 930 was paid in remuneration for use in libraries, archives and museums.

Annual account information

Remunerations collected

Loan remunerations*	€ 11 975 249
E-loan remunerations*	€ 433 251
Celia book loans	€ 150 504
Use on radio and television	€ 77 946
Use on radio and tv archives	€ 89 450
Use in archives, libraries and museums	€ 3 945
Publishing licences	€ 159 153
Performing licences	€ 13 462
Total	€ 12 902 960

Remunerations distributed

Loan remunerations*	€ 11 908 348
E-loan remunerations*	€ 198 471
Celia book loans	€ 144 461
Use on radio and tv archives	€ 116 431
Use on radio and television	€ 64 408
Publishing licences	€ 133 130
Use in archives, libraries and museums	€ 932
Performing licences	€ 12 505
Total	€ 12 578 686

* Approx. 85% of the public lending right remuneration funds collected is distributed in the first settlement.

Expenses

Staff expenses	€ -842 445
Depreciation	€ -69 236
Other expenses	€ -534 120
Total	€ -1 445 801

Investment and financing activities

Interests earned	€ 153 726
Sales profits	€ 34 775
Expenses	€ -106 059
Total	€ 82 442

Annual report 2023

1. Mission statement

Sanasto is a Finnish literary copyright society. We want to enable the creative work of authors of literary works and to provide users of literary works with functional solutions for licences.

We serve authors by collecting royalty payments from the use of published literature and distributing them to rights holders. We also serve users by granting licences for the use of literature in different situations. The aim of our lobbying activities is to ensure that legislation protects the rights of authors and enables authors to do creative work and make a living from it.

2. Significant events during and after the financial year and an estimate of probable future developments

Sanasto's number of clients grew steadily again during the year under review and there were over 17,000 clients at the end of the year. As a result, we were able to reach authors entitled to compensation even better and our distributions became even more efficient. We will continue to actively canvass for clients and communicate regularly with various parties to ensure all authors of literary works know about compensation matters.

Royalty payments collected by Sanasto were distributed four times during the year, in accordance with the established schedule for distributions. During the year, we focused on raising awareness of copyright matters among authors and users of literary works, both through training and book-trade events.

The update to the Finnish Copyright Act, which implemented the EU DSM Directive into national law, entered into force in spring 2023. The amendment included a new section 16g, which provides for the usage of out-of-commerce works in archives, libraries and museums under a collective licence. As a result of this new collective licensing area, we

updated Sanasto's client contract in spring 2023.

We campaigned tirelessly for technology-neutral lending compensation: During the year, Sanasto and 19 literature advocates carried out lobbying through dozens of meetings with decision-makers. In 2023, e-lending compensation was paid for the first time, for public library e-lending by the decision of the Ministry of Education and Culture. Sanasto was actively involved in the preparation of the legislation on e-lending compensation and in December 2023, Parliament approved a new section 38a for the Copyright Act, which established e-lending compensation in the legislation. The new provision means that narrators of audio books were also included in the scope of the compensation for library use of e-books and e-audio books. We updated our payment policy during the year to take e-lending fees into account.

We also continued our good collaboration with other copyright societies and creative sector operators in our lobbying activities.

The new OmaSanasto online service was launched in March 2023. The project was a large investment by Sanasto standards, and the costs of the development project will be capitalised on the balance sheet and depreciated over 10 years on a straight-line basis. We also continued to participate in a project coordinated by the National Library of Finland to improve the metadata of copyright services by obtaining International Standard Name Identifiers (ISNI) for authors.

We offered our licence clients easily accessible licences for literary works. The digital licence for libraries entered into force on 1 January 2023. This is a new licensing area which makes it easier to use literary works and illustrations in the digital channels of libraries. The pilot of the licence is valid until 31 December 2024.

Niina Vettensola started as the new Executive

Director of Sanasto at the beginning of 2023.

We anticipate that the future development of the society's finances and operations will be stable. The number of authors represented by us is expected to increase steadily and the total amount of royalty payments to be collected will also increase in 2024.

3. Risks and uncertainties

There are no particular risks or uncertainties associated with our activities, but the general global situation with its conflicts may cause uncertainty in the financial markets and thus affect the value of the society's investment assets. Sanasto's operations and finances are, however, on a sound and productive basis. We also closely monitor pending legislative projects in Finland and in the European Union that may have an impact on the operating conditions of authors.

4. Key figures, finances and fundraising

In 2023, we collected over EUR 12.9 million in total in royalty payments. The total amount of royalty payments collected is EUR 400,000 larger than the amount of royalty payments collected in 2022.

Sanasto is a non-profit society. Our operating expenses are covered by management fee deductions that are withheld from collected royalty payments and by income from investment and financing activities. Our operating expenses were around EUR 1.4 million in 2023. The largest share of the expenses consists of personnel expenses and expenses for the development and maintenance of IT systems. In 2023, Sanasto's fee deduction rate was 10,56% for lending compensation and 9% for other royalty payments.

The society's finances and investment activities are managed by the Executive Director, who reports to the society's board. The society's investment activities are based on low-risk decisions. Sanasto's annual meeting has approved the society's investment policy. The income generated by investment and financing

activities during the year was used to cover Sanasto's operating expenses.

In 2023, we distributed more than EUR 12.6 million in total in royalty payments to more than 13,100 authors of literary works and to the copyright holders of deceased authors of literary works. During 2023, 75.79% of our clients received compensation from Sanasto. We have a fast rate of distribution and we distribute the majority of the compensation collected during the year to the eligible authors before the end of the year. Sanasto's distributions observe the distribution principles approved by Sanasto's annual meeting, which are available on our website.

We publish statistics on our distributions during the year on our website at sanasto.fi/tilastot. The statements that we issued during the year can be found at sanasto.fi/lausunnot.

5. Information about the organisation, management and auditors

Sanasto's operations are the responsibility of a six-member board together with the Executive Director. Sanasto employed eleven people during the year under review.

We publish a transparency report and an annual report on our operations every year. In these reports, we provide information on our operations, our organisation, the composition of our board and our auditors. The annual report and transparency report are available on our website at sanasto.fi/julkaisut.

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