

the other hand, one experimental business model in Denmark, which enabled easy loans for extended periods of time and no waiting period,⁹⁵ was discontinued as it appeared to cannibalise the emerging e-book market.⁹⁶

Further details are presented in Annex G.

3.2.1.2. Private copying

Member States are allowed to implement in their national legislation exceptions or limitations to the reproduction right for copies made for private use and photocopying.⁹⁷ Most Member States impose levies on goods typically used for such purposes (blank media, recording equipment, photocopying machines, mobile listening devices such as mp3/mp4 players, computers, etc.) in order to compensate right holders for the harm they suffer when copies are made without their authorisation. Private copying levies systems are therefore a mechanism to compensate right holders for acts of private copying.⁹⁸ In that context, levies are important for right holders.

With the constant developments in digital technology, new types of services increasingly respond to consumers' expectations e.g. access-based business models including certain types of cloud-based services. However, the lower transaction costs offered in theory by more efficient digital technologies are not always realised. Indeed, when end-users/consumers copy files they have purchased online onto a number of devices (e.g. MP3 files onto their computer, tablet and/or mobile phone), instances of 'double-dipping' can occur whereby the consumer pays twice for one and the same copy: firstly by virtue of the contractually agreed licence fee (the access cost) and secondly through the 'rough justice' levy imposed on certain categories of devices. The *status quo* leads to a high level of legal uncertainty. In some cases, payments made by end-users are not related to the actual consumption of copyright protected content even though technology enables the precise quantification of copies made by any given individual. The levels of private copying levies paid by consumers on media devices (which enable private copying) in some Member States are higher than they would have been otherwise, as they take into account all copies made by end-users, irrespective of whether those copies could have been already remunerated via licensing agreements or not.

Consequently, consumers face higher prices for media and devices subject to levies,⁹⁹ platform operators face high costs of developing new business models and right holders face foregone licensing opportunities.¹⁰⁰

⁹⁵ eReolen.DK, see Annex G

⁹⁶ The Danish pilot project Ereolen.dk (2011) involved the two largest Danish publishers and a number of local libraries and concerned the lending of Danish trade e-books. The publishers have withdrawn from the pilot project because, at a given moment, the number of loans of e-books reached about six times the number of sales of the same product (CILIP briefing paper, version 3, July 2013).

⁹⁷ Article 5(2)(a) and (b) of the InfoSoc Directive.

⁹⁸ Case C 467/08 Padawan [2010] ECR I 10055, paragraph 22, and Case C 462/09 Stichting de ThuisKopie [2011] ECR I 5331, paragraph 27

⁹⁹ In many Member States with levy systems in place, rates applicable to devices enabling use of on-line services consisting of on-demand delivery of copyright protected content are relatively high. For example, according to International Survey on Private Copying Law and Practice 201- de ThuisKopie/WIPO 2012, a mobile phone is subject to a levy of €2,50 in Belgium, €16 in Germany and a tablet is subject to a levy of € 0.09 to €50 in France. Those amounts could be adjusted (lower) in order to take into account the possibilities offered by licensing in the digital environment.

¹⁰⁰ The impact of the status quo on right holders could be negative as the increasing reliance on levies would prevent them from fully exploiting the licensing mechanisms which are optimal in the digital environment as they allow calculating the payment on the basis of each consumer's willingness to pay. Moreover, with no changes to the status quo right holders

Against this background, in his recommendations of 31 January 2013¹⁰¹ which concluded stakeholdersmediation process on private copying and reprography levies, Mr António Vitorino while recognizing the shift from ownership to more access-based business models (including certain type of cloud-based services), identified double payments occurring in the digital environment among those issues which could have a negative impact on new, innovative business models. He therefore suggested that in order to favor their development and growth in the EU it should be clarified that copies that are made by end-users for private purposes in the context of an on-line service that has been licensed by rightholders do not cause any harm that would require additional remuneration in the form of private copying levies.

Further details are presented in Annex F.

3.2.1.3. User generated content

Since citizens can copy, use and distribute content at little to no financial cost, new types of online activities are developing rapidly, including the making of so-called “user generated content”, when users take one or several pre-existing works, change something to the work(s) and upload the result (such as a “kitchen video”, or “mash-up”) on the internet e.g. to platforms, including social networks, blogs, private websites, etc.¹⁰² UGC is not “new” as such. However, the development of social networking and social media sites which enable users to share content widely, has vastly changed the scale of such activities and increased the potential economic impact these activities have for the rights holders of the pre-existing works. Under the current legal framework, such uses are subject to acquiring authorisation from the relevant rights holders if the initial work(s) is protected by copyright.^{103 104} The development of digital tools has also increased the potential economic interest for the creators of UGC, who may themselves enjoy copyright protection. There nevertheless remain technological obstacles to the ability for UGC creators to identify themselves, and to reap economic reward for their efforts.

In practice, the market has recently developed in such a way that the hosting by large platforms of such content is covered by authorisations from rights holders (notably in the music sector), with both intermediaries and rights holders (including, in some cases, UGC creators) sharing in the advertising revenues so generated. However, coverage is not comprehensive, and smaller platforms/individual blogs cannot benefit from the legal certainty provided by such “blanket” arrangements though micro-licences may increasingly be available in the market place for some users.¹⁰⁵ Transformative use of “print” (literary works, fine art, illustration, photography, design, architecture and other visual works) and audiovisual content is not licensed in a systematic manner. However, some media companies are

would be worse-off as otherwise their revenue derived from levies could be out weighted by positive results of levy adjustment and the resulting increased demand. See Case C 463/12 Copydan Båndkopi

¹⁰¹ http://ec.europa.eu/internal_market/copyright/docs/levy_reform/130131_levies-vitorino-recommendations_en.pdf

¹⁰² User-generated content (UGC) can thus cover the modification of pre-existing works even if the newly-generated/“uploaded” work does not require a creative effort and results from merely adding, subtracting or associating some pre-existing content with other pre-existing content.

¹⁰³ Rights of reproduction, adaptation, and communication/making available to the public

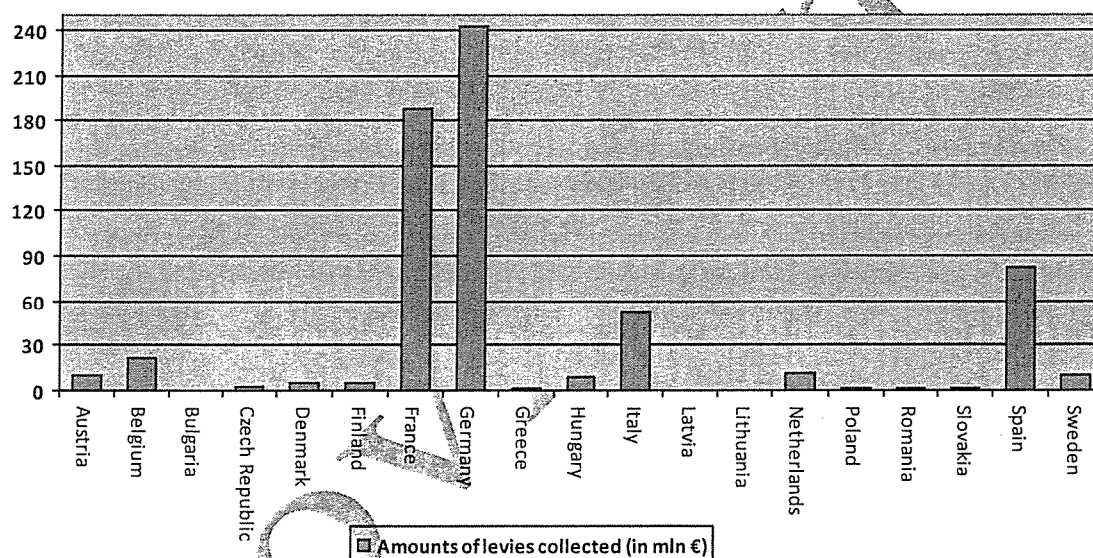
¹⁰⁴ In the case those initial works were originally distributed through open licences, there is also the need to assess if such licences permitted the production of derivative works or if they imposed any further restrictions (requirement to also distribute the derivative under a similar open licence or prohibiting commercial exploitation).

¹⁰⁵ Small-scale licensing is being developed in the music industry and in the print sector (see the results of Licences for Europe (Working Group 2) in Annex B and the presentations available on: <https://ec.europa.eu/licences-for-europe-dialogue/sites/licences-for-europe-dialogue/files/WG2-UGC.pdf>)

8.7. ANNEX F – PRIVATE COPYING AND REPROGRAPHY

Member States are allowed to implement in their national legislation exceptions or limitations to the reproduction right for copies made for private use and with the use of photographic technique or a similar process (i.e. photocopying).²²⁶ For those Member States that have introduced these exceptions, most impose levies on goods typically used for such purposes (blank media, recording equipment, photocopying machines, mobile listening devices such as mp3/mp4 players, computers, etc.) in order to compensate rightholders for the harm they suffer when copies are made without their authorisation. National levy systems are linked to the different traditions and values underpinning the cultural policies of Member States, as well as to economic factors such as income *per capita*²²⁷. Currently 21 Member States have levy systems in place²²⁸ and the overall amount of over €600 mln was collected in private copying levies for 2010.²²⁹

Graph A1 - revenue from levies across the EU in 2010



Member States approaches to these exceptions vary *inter alia* as regards categories of copies which are taken into account in the calculation of fair compensation, the choice of products to which levies apply and the level of tariffs applicable to those products.

The issue of private copying and reprography levies has been discussed on numerous occasions since 1998. The Commission led stakeholders dialogues and consultations in 2004/2005, 2006 and 2008. More recently, Mr António Vitorino, former Commissioner for Justice and Home Affairs, led a stakeholder focused process of mediation throughout 2012²³⁰. This mediation concluded on 31 January 2013 with the

²²⁶ Articles 5(2)(a) and 5(2)(b) of Directive 2001/29

²²⁷ http://ec.europa.eu/internal_market/copyright/docs/levy_reform/130131_levies-vitorino-recommendations_en.pdf

²²⁸ Spain abolished its system of levies on 31 December 2011. The government decided to compensate for the harm caused by private copying after 1 January 2012 via a payment from the general state budget.

²²⁹ International Survey on Private Copying Law and Practice - de Thuiskopie/WIPO 2012; this amounts includes Spain, but does not include Estonia.

²³⁰ http://ec.europa.eu/commission_2010-2014/barnier/docs/speeches/20120402/statement_en.pdf

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presentation by Mr António Vitorino of his recommendations.²³¹ Subsequently, a debate between Member States took place at the Competitiveness Council of 28 May 2013 to take the stock of the situation and assess the possible ways forward.

a) Private copying and digital transmissions

Member States approaches diverge as regards the categories of acts of reproduction considered as private copying causing harm to rightholders and therefore taken into account in the calculation of fair compensation. In the context of digital transmissions in the on-line environment, these differences are evident in particular as regards the taking into account of permanent copies made by end-users in the context of on-demand delivery of copyright protected content (i.e. when the end-user downloads a copyright protected content and stores it on various devices according to the terms of use of the service in question) in the calculation of private copying and reprography levies.

Indeed, the legislative frameworks in a number of Member States (see Table 1) stipulate that such copies should not be treated as triggering levies.

In the recent discussions on the reform of copyright in **the United Kingdom**, the introduction of a narrow private copying exception is being proposed by the government. It would allow individuals to format-shift content they own, and which they acquired lawfully e.g. it would be possible to store lawfully an acquired music file on various devices used by the consumer for his own personal use. The government considers that the proposed exception would allow for appropriate compensation to be paid at the point of sale, and the exception will cause minimal harm to rightholders.²³²

By contrast, the legislative frameworks of other Member States remain either silent or ambiguous, paving the way for the claiming of private copying and reprography levies for this type of end-users' copies.

As a result, instances of 'double-dipping' occur whereby one and the same copy is paid twice by the consumer: by virtue of the price paid for the download and through the 'levy' imposed on certain categories of products.

²³¹http://ec.europa.eu/internal_market/copyright/docs/levy_reform/130131_levies-vitorino-recommendations_en.pdf

²³²<http://www.ipo.gov.uk/techreview-private-copying.pdf>

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Table A4 – Status of copies made in the context of on-demand delivery of content governed by contract under national law [(x) – national legislation allows not to take into account copies already paid in the price of the first download in the calculation of levies for subsequent copies made by end-users.]²³³

AT	n/a
BE	x
BG	n/a
HR	n/a
CZ	n/a
DK	n/a
EE	n/a
FIN	x
FR	x
DE	x
GR	n/a
HU	x
IT	x
LV	n/a
LT	n/a
NL	n/a
PL	n/a
PT	n/a
RO	n/a
SK	n/a
SLO	n/a
SV	x

The *status quo* leads to legal uncertainty as the approaches Member States take differ substantially and stakeholders face varying regulatory requirements, depending on the way the private copying and reprography exception are implemented. Payments made by end-

²³³ (x) signifies that the legislation of a given Member State makes it possible not to take into account copies already paid in the price of the first download in the calculation of levies for subsequent copies made by end-users. Such interpretation is based on the assumption that in Member States which correctly implemented Article 6(4)(4) of the Directive 2001/29 it should not be possible to claim private copying levies for copies made in the context of an on-line service whereby copyright protected content is offered on-demand on contractually agreed terms. Consequently, it is understood that in those Member States it is not possible to take into account such subsequent end-users copies in the calculation of the amounts of levies i.e. to claim levies on top of contractually agreed licence-fee. In all other Member States (n/a) this issue has not been explicitly addressed in the legislation, paving the way for claiming private copying levies also for those type of end-users copies.

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users are often disconnected from the actual consumption of copyright protected content even though in the digital environment, the existing technology allows to quantify the copies made. Moreover, because the legislations of some Member States make it possible to ask levies for end-users copies made in the context of on-line services, the resulting amounts imposed on devices can be potentially higher than in those countries where such copies are not included in the calculation of levies.

Given the increasing penetration of internet access and the growth in the number of on-line services in which copyright protected content is offered to consumers on demand,²³⁴ and provided that consumers will continue to prefer to own content, the overall number of cases in which the potential overlap between payments received by the rightholders by virtue of the agreements concluded with service providers and the payments from levies could also increase. However, the extent and the pace of that increase will largely depend on the business models which will eventually prevail on the market. Indeed, if the penetration of access-based services continues at its current pace, there will be fewer copies occurring at consumer's end (for instance those would be likely to be reduced to cases where the consumer wants to access offline the content for which he has paid e.g. by creating offline playlists) and less instances where the application of levies would be triggered.

b) Disparate national levy schemes and the free movement of goods and services

Member States approaches also differ substantially as regards the choice of products to which levies apply as well as the level of tariffs applicable to those products.

As regards the type of products which should be subject to levies, the CJEU clarified that "*the fact that that equipment or devices are able to make copies is sufficient in itself to justify the application of the private copying levy*".²³⁵ As a result, in principle all media, equipment, and devices capable of making copies of copyright protected content can be subject to a levy. Given lack of criteria at EU level, Member States continue to take very different approaches. While some of them opt for a rather limited catalogue of products subject to levies (e.g. applying levies only to recordable media),²³⁶ others extend the levy schemes to new categories of products.²³⁷

²³⁴ In 2012 Digital sales grew by 8.0% globally; the number of subscribers globally grew in 2012 by 44% to 20 million and in Europe subscription streams already account for 23% of digital revenues.

²³⁵ Case C-467/08 (Padawan vs SGAE).

²³⁶ For instance Denmark and Portugal decided not to impose levies on any other categories of devices (their national schemes are limited to recordable media such as CD, DVD, memory cards etc.)

²³⁷ With no levies on devices until 2012, the Netherlands decided to extend, as of 2013, private copying levies to devices such as audio/video players, smartphones, telephones with mp-3 players, tablets, HDD recorders and set-top boxes.

Table A5 - overview of products subject to private copying levies in MS with levy systems in place (2012)²³⁸

Country	Blank CD/DVDs	Blue ray discs	MP3 players	Mobile phones	PCs
Austria	√	√	√	x	x
Belgium	√	X	√	√	x
Bulgaria	√	√	√	x	x
Croatia	√	x	√	√	√
Czech Republic	√	X	√	x	x
Denmark	√	√	x	x	x
Estonia ²³⁹	√	x	X	n/a	x
Finland	√	√	√	x	x
France	√	X	√	√	x
Germany	√	√	√	√	√ ²⁴⁰
Greece	√	X	√	√	x
Hungary	√	√	√	√	x
Italy	√	√	√	√	√
Latvia	√	X	√	x	x
Lithuania	√	√	√	√	√
Netherlands ²⁴¹	√	x	x	x	x
Poland	√	√	√	n/a	x
Portugal	√	x	x	x	X
Romania	√	√	√	√	x
Slovakia	√	√	√	n/a	√
Slovenia	√	√	√	x	X
Sweden	√	x	√	x	x

In a similar vein, while the CJEU did rule that "fair compensation must necessarily be calculated on the basis of the criterion of the harm caused to rightholders by the introduction

²³⁸

International Survey on Private Copying Law and Practice - de Thuiscope/WIPO 2012

²³⁹

International Survey on Private Copying Law and Practice, de Thuiscope (21st revision 2010)

²⁴⁰

Subject of negotiations since 2011

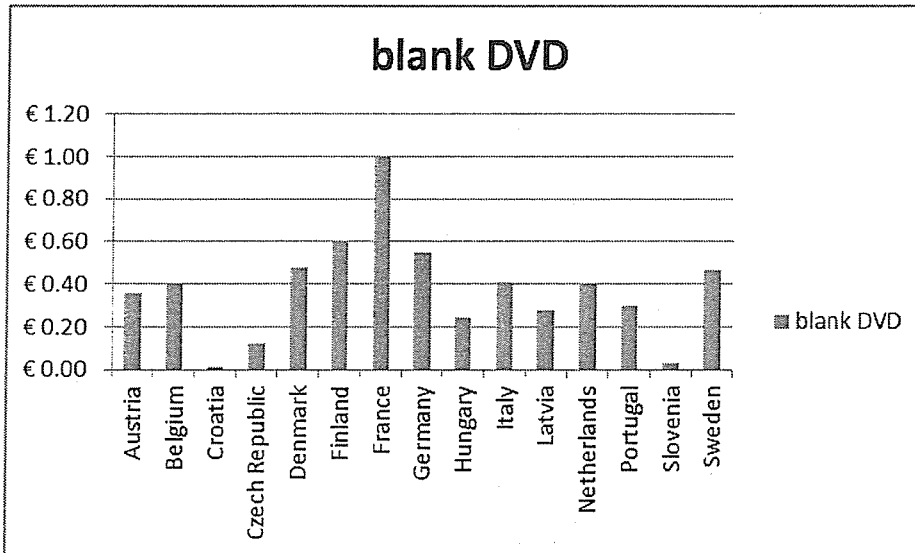
²⁴¹

As of 2013 private copying levies were extended to devices such as Audio/video players, smartphones, telephones with mp-3 players, tablets, HDD recorders and set-top boxes.

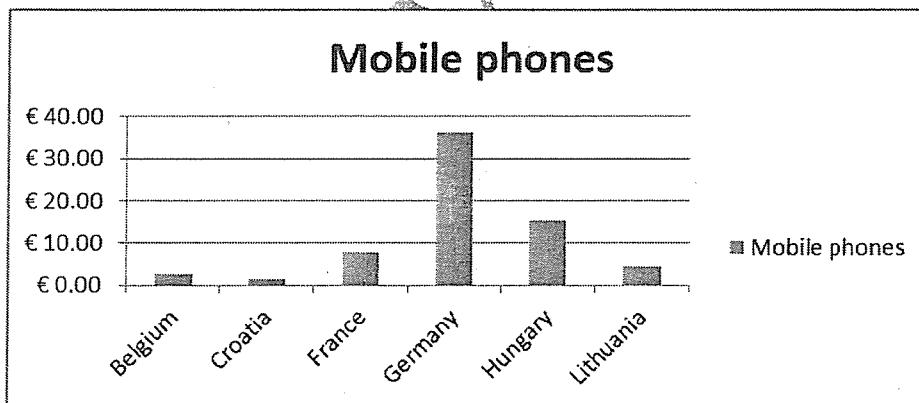
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of the private copying exception²⁴² it also recognized that Member States enjoy broad discretion when determining the form, detailed arrangements and possible level of such compensation²⁴³. As a result, Member States continue to use various criteria in estimating the degree of harm and the resulting amounts of fair compensation. This raises the costs of operation of pan-European entities manufacturing and distributing products subject to levies on multiple territories. Indeed, such entities, although marketing on EU-wide basis, need to comply with varying approaches taken by Member States both as regards the choice of products which are levied and the amounts of applicable tariffs.

Graph A2 – example of varying tariffs applicable to blank DVDs²⁴⁴



Graph A3 – example of varying tariffs applicable to mobile phones in selected Member States²⁴⁵



Given that the principle of territoriality applies to the collection of levies, the disparities in national levy schemes become problematic whenever a product subject to levy is traded

²⁴² In Case C-467/08 (Padawan vs SGAE), Case C-462/09 (Stichting de Thuiskopie vs Opus), Cases C-457/11 – C-460/11 (VG Wort vs Kyocera Mita et al), Case C-521/11, Austro Mechana vs Amazon;

²⁴³ in Case C-521/11 (Austro Mechana vs Amazon)

²⁴⁴ International Survey on Private Copying Law and Practice - de Thuiskopie/WIPO 2012

²⁴⁵ Tariffs applicable to mobile phones with 16 GB internal memory International Survey on Private Copying Law and Practice - de Thuiskopie/WIPO 2012.

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across the EU. Indeed, the CJEU confirmed that the 'harm' suffered by the rightholders arises on the territory where the final user resides and therefore needs to be compensated on the territory of that state²⁴⁶. Levies are therefore imposed whenever a product enters a national territory (i.e. upon its production or importation) and Member States do not take into account the payments of levies already made by virtue of the legislation of other countries. This means that one product can be subjected to a levy in several Member States simply because it was traded across the borders.²⁴⁷

To mitigate these undue payments, many (but not all: see table below) Member States provide for *ex ante* exemption or *ex post* reimbursement of cross-border transactions. The former allows those liable for payment (i.e. manufacturers or distributors in the majority of cases) to obtain upfront exemption of the transactions involving those products subject to levies which will never be 'consumed' in the country in which they were produced or distributed and where the liability for payment arose.

Given that **the Netherlands** constitute an important 'hub' through which a significant number of electronic equipment and recordable media enter the EU and from which it is further distributed, the local collecting society (Stichting de ThuisKopie) has concluded a number of bilateral agreements with major manufacturers and distributors of products subject to levies. By virtue of those agreements, products not intended for the domestic market are excluded from the obligation to pay levies. Given that those products are stored in warehouses prior to their export, the system appears to be efficient and yields positive effects for large entities operating on pan-European basis.²⁴⁸

By contrast, in cases when *ex post* reimbursement schemes are in place, those who actually paid a levy for products subsequently exported to another Member State can, upon certain conditions, obtain a refund of the amount initially paid in the country from which the product in question was exported.

In a similar vein, pursuant to the case-law of the CJEU²⁴⁹, private copying levies must not be imposed on goods that are acquired by persons other than natural persons for purposes clearly unrelated to private copying, (i.e. by 'professional users' such as public administration, businesses, SMEs etc.). Indeed, some MS already provide for *ex ante* exemption of such transactions.

Under the legislation in place in **France**, entities which acquire products subject to levies for professional purposes are allowed to conclude agreements with the entity in charge of the perception of levies (Copie France) allowing them not to pay levies for such products. In 2012 over 1500 entities were exempted from payment of private copying levies by virtue of such agreements.²⁵⁰

²⁴⁶ In Case C-462/09 (Stichting de ThuisKopie vs Opus)

²⁴⁷ In Case C-521/11 (Amazon vs. Austromechana), the CJEU viewed that although the fact that a levy has already been paid in another Member State does not prevent other Member State for imposing a levy on its territory upon placing the levied product on the market, the person who has previously paid that levy in a Member State which does not have territorial competence for the collection of levy may request its repayment in accordance with its national law.

²⁴⁸

<http://www.cedar.nl/uploads/15/files/English%20information%20Private%20Copying%20in%20the%20Netherlands.pdf>

²⁴⁹ In Case C-467/08 (Padawan vs SGAE)

²⁵⁰ The list of exempted entities goes beyond 'professional' users such as public bodies and business and includes organisations representing visually and hearing impaired people. More at: <http://www.copiefrance.fr/cms/site/cf-fr/homecf-fr/professionnels/liste-societes-exonerees-pro>

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However, given the practical difficulties which often exist as regards the distinction between professional and non-professional users, most Member States preferred to apply levies indiscriminately to all sales and to reduce the number of undue payments via *ex post* reimbursement schemes. Some of them apply so-called 'mutualisation' schemes i.e. they continue to apply levies indiscriminately to all sales but provide for a reduction in the overall amount of tariff applicable, so as to take into account those transactions which involve 'professional' users not liable for payment.²⁵¹

Unfortunately, the aforementioned means to mitigate the undue payments resulting from both cross-border transactions and transactions involving 'professional users', that is the *ex-ante* exemption or for *ex-post* reimbursement schemes, are not in place in all MS (see Table below). Moreover, those schemes that exist are not always equally and sufficiently efficient, often making it burdensome and complicated for individuals to claim back the unduly paid levies.²⁵²

For instance, in the majority of cases, only large manufacturers and importers who concluded agreements with collecting societies are *ex ante* exempted from levies when they trade across EU borders. Individuals or SMEs acquiring products which include levies from intermediaries (e.g. wholesalers) or retailers and selling them subsequently to another Member State (for example in the context of parallel-trade) will need to seek *ex post* reimbursement. The latter becomes impossible in practice since the entities collecting levies often require proof that the levy was actually paid and only those who actually made the payment first (i.e. manufacturer or distributor upon the introduction of the product to the market), would be able to furnish such proof.

A similar problem could arise in cases where 'professional users' (i.e. persons other than natural persons acquiring products bearing levies for purposes clearly unrelated for private copying) acquire levied products from intermediaries (e.g. wholesalers) or retailers. As they would not – in the majority of cases – be able to conclude agreements allowing them to be *ex-ante* exempted, they would need to request *ex-post* reimbursement. Given that the levy is normally paid upon the introduction of the product to the market and – in the majority of cases - only the person primarily liable (i.e. manufacturer or distributor) would have a proof of the payment, the reimbursement of the 'professional' end-user, can turn impossible in practice. The likelihood of unwarranted payments is therefore high.

²⁵¹ Such system exists in Czech Republic, Greece and Poland. Until 2011 France applied a similar system which was now replaced with an *ex ante/ex post* schemes for professional users.

²⁵² In numerous MS, even if the exemption exists, it requires contractual arrangements between the manufacturer/distributor and the collecting society/entity in charge of the perception of levies (e.g. France, Germany). The *ex post* reimbursement, even if possible under national legislation, is usually complex and constrained by a number of factors e.g. by the language version of the website of the collecting society in question or the requirements of proof that the levy was paid.

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Table A6 – overview of *ex ante* exemption and *ex post* reimbursement models for cross-border and professional sales (2012) [(+) existing scheme, (-) scheme does not exist, (+/-) limited scheme]

	Ex ante for professional	Ex post for professional	Ex ante for cross-border	Ex post for cross border
Austria	-	-	+ / -	+
Belgium	-	+/-	-	+
Bulgaria	-	+/-	-	+
Croatia	-	-	+/-	+
Czech Republic	+/-	+/-	+/-	+/-
Denmark	+	+	-	+/-
Estonia	-	-	-	+
Finland	+	+	-	+
France	+	+/-	+/-	+
Germany	+/-	+/-	+/-	+/-
Greece	+/-	+/-	+/-	+/-
Hungary	+/-	+	+/-	+/-
Italy	-	+/-	-	+/-
Latvia	-	+/-	-	+
Lithuania	-	+/-	-	+
Netherlands	+	+/-	+	+/-
Poland	+ / -	+/-	-	+/-
Portugal	-	+/-	-	+/-
Romania	-	+/-	-	+/-
Slovakia	-	-	+/-	+/-
Slovenia	-	+/-	+/-	+/-
Sweden	+	+	-	-

Given the lack of common criteria at EU level, it is to be expected that Member States will continue taking varying approaches. At the same time, without a coordinated attitude it is not very likely that national levy schemes will become more inter-operable and that all MS will provide for equally efficient *ex ante* exemption or *ex post* reimbursement schemes. Indeed, Member States seek to ensure the effective recovery of levies only in their respective national territories.

In the short-term, given the relatively high share of products potentially attracting levies in the entire intra-EU trade,²⁵³ the instances of undue payments are also expected to remain at significant level. In a similar vein, in the short term, with the share of products subject to levies in the entire intra-EU trade at a relatively high level, the indiscriminate application of levies to all transactions (where no or insufficiently efficient *ex ante* exemption or *ex post* reimbursement schemes are in place), the resulting number of undue payments will – at the very best – also remain at relatively high level.²⁵⁴

²⁵³ Calculations on the basis of EUROSTAT data show that between 2010-2012, share of intra-EU trade in product categories CN8 8471, 8519-8528 [...] in total intra-EU imports and exports was on average at 3.4%. data on the number of products subject to levies in cross-border trade comparing 2008, 2009 to 2011

²⁵⁴ Calculations on the basis of WIOD database (http://www.wiod.org/new_site/database/wiots.htm) for 2011 show that only around 17% of products potentially attracting levies (an assumption was made that

PROVISIONAL

they are produced in the sector “Electrical and optical equipment”) marketed in the EU were ultimately consumed by private individuals. This remains in stark contrast with the amounts of reimbursements of levies unduly paid by non-private users. For example in 2012 in France, for the overall amount of approx. €200mln perceived, €67.000 were reimbursed to persons other natural persons who acquired products in questions for purposes clearly unrelated to private copying. At the same time it should be noted, however, that over 1500 entities entered into contractual arrangements with the competent collecting society, by virtue of which all transactions involving professional users were ex-ante exempt.