

ANNUAL REPORT WAHANA MUSIK INDONESIA 2019



TABLE OF CONTENTS

02

03

Greetings from Chairman of the Board of Supervisory
IRFAN AULIA

05

Greetings from Chairman of WAMI
CHICO ADHIBASKARA EKANANDA HINDARTO

07

Operational Report
BUDI YUNIAWAN

11

Membership, Documentation, and Distribution Report
MEMED UMAEDI

15

Main Events 2019

2019

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GREETINGS FROM CHAIRMAN OF THE BOARD OF SUPERVISORY



IRFAN AULIA

Chairman of the Board of Supervisory
Wahana Musik Indonesia

Dear respective members of Wahana Musik Indonesia, Board of Supervisory Agency, Management of WAMI, Sister Societies and CISAC, kindly allow me to report the progress of Wahana Musik Indonesia during my first year as the Chairman of the Board of Supervisory Agency.

In 2020 the whole world is suffering from the COVID-19 pandemic which affects all sectors, including the music industry.

As part of the music industry ecosystem, Wahana Musik Indonesia is trying its best to adapt to this situation by always giving its best efforts to support all members, songwriters and publishers to survive this pandemic. To face this situation, Wahana Musik Indonesia strengthens itself by improving its digital infrastructure which believed to be one of the backbones of the future of Performing Rights management by honoring the principle of high transparency and accuracy.

Regardless the pandemic we are facing, I am truly grateful that Wahana Musik Indonesia can actively contribute to provide survival solutions to songwriters by executing 6 (six) royalty distributions annually, we wish that these distributions motivate songwriters to survive and stay creative during this pandemic situation.

Trust and good cooperation is the main key for Wahana Musik Indonesia to always be able to provide the best service from time to time to its members.

Herewith, I also would like to invite all music industry stakeholders to join hands and support one another so that we are strong enough in facing every challenge before our eyes. I hope that we will always be blessed with health and useful creativity for us and people around us.

On behalf of the Wahana Musik Indonesia, allow me to express my gratitude to everyone for the support and trust to Wahana Musik Indonesia as a trustworthy Collective Management Organization in Indonesia and in the world.

Jakarta, November 2020

Irfan Aulia

Chairman of the Board of Supervisory
Wahana Musik Indonesia

GREETINGS FROM CHAIRMAN OF WAMI



CHICO ADHIBASKARA EKANANDA HINDARTO
Chairman
Wahana Musik Indonesia

Assalamu'alaikum Wr. Wb.

Greetings to my fellow composers, music publishing partners, and all stakeholders.

WAMI is unable to hold the 2020 Annual General Meeting as previous years due to the Covid-19 pandemic which has limited nearly all of our social activities. Even so, it is an obligation for Wahana Musik Indonesia (WAMI) to report the activities as a non-profit organization in the 2019 period to all our valued stakeholders.

The report is submitted in the form of e-report which can be downloaded from the WAMI's website.

Thanks to the hard work of everyone involved in WAMI's operations, there have been improvements in various aspects which are the key performance indicators that are targeted, measured and evaluated by management of WAMI. Concern for the quality of work has been continuously improved and has encouraged WAMI's operational personnel to carry out their responsibilities better from time to time. Performance improvements have been seen to those which are able to be measured quantitatively,

including all matters related to the increased value of royalty collections, the number of royalties distributed to rights holders, the number of composers and music publishers affiliated with WAMI, the number of works documented, the number of works identified, and the number of processed works. Qualitatively, WAMI achieved important milestones in the year 2019, of which the most notable was the appointment of WAMI as a Full Member of CISAC. After two terms as a temporary member, CISAC finally appointed WAMI as a Full Member at the General Assembly in Tokyo on May 30, 2019.

WAMI realizes that there are still many aspects to be addressed internally for WAMI to be able to provide the best service to members, partners and other stakeholders. At the end of 2019, WAMI began to allocate operational funds to build a database processing system that is more qualified and internationally recognized. The system is projected to fully function in the first quarter of 2021. The information system updates will certainly be continued post-installation that enables WAMI to respond well to the rapid change of technology.

Finally, on behalf of all WAMI management and personnel, we would like to express our gratitude to all stakeholders for the trust, support, and cooperation that has been given to WAMI. Future challenges require the synergy of each and every roles in the ecosystem of music copyright management, so that all parties acquire their right in accordance with their relevant portions. We truly hope that in the coming years WAMI will continue to increase the quality of service provided to fellow members, partners, and all stakeholders.

Wassalamu'alaikum Wr. Wb.

Jakarta, November 2020

Chico Adhibaskara Ekananda Hindarto

Chairman

Wahana Musik Indonesia

OPERATIONAL REPORT

I would like to thank all parties for the trust and cooperation with WAMI during 2019. Kindly allow me to convey things that have been carried out by the licensing team in 2019.

During the 2019 period, WAMI has carried out its duties as KP3R (Coordinator of the Implementation of Royalty Collection and Distribution) Executive to collect royalties of song copyright and neighboring rights on behalf of songwriters and performers together with CMO - SELMI. The responsibility was entrusted to WAMI, one of which is because WAMI has the reliable human resources, information systems, data and networks.

The implementation as KP3R Executive was not without obstacles, one of the biggest challenges was the licensing process in areas where people do not have the knowledge of KP3R existence and having no awareness regarding licensing requirements to use musical works especially for commercial purpose. WAMI saw this challenge as an improvement



BUDI YUNIAWAN
Operational Manager
Wahana Musik Indonesia

opportunity to be explored in 2020, including the collaboration with PPNS (Civil Servant Investigator) delegated by Ditjen HKI (Directorate General of Intellectual Property Rights) to approach potential users in other regions, especially for restaurant category.

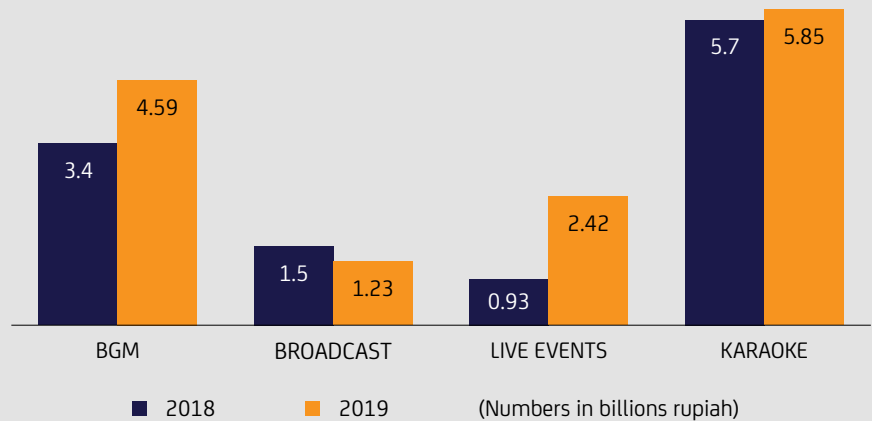
Service is the main task of WAMI, and with that spirit, in 2019 WAMI began the process of creating a new licensing information system to accommodate the various needs of member's royalty collection. The new application is connected to the financial system and able to produce billings document which format complies with CMO's standard. The new licensing system also has the ability to provide information of potential users in real time that enables the Licensing Team to immediately send a License Payment Request Letter to potential users. The licensing system has been fully operated in the middle of 2020.

During the 2018 and 2019 period, WAMI did not receive any income from Cinema category, as LMKN and GPBSI (Association of Indonesian Cinema Corporations) have not yet come to consensus regarding the royalty tariff. Negotiation regarding this matter is still ongoing.

The total collection of performing rights royalty by WAMI in 2019 for all categories was **IDR 61.43 billion**, that is 99.1% of total target of IDR 62 billion. The total collection in 2019 was increased by 22% compared to the total collection in 2018 which was IDR 50.19 billion.

The big challenges we faced in 2019 were considered as opportunity for improvement and refinement for the team and licensing work process in 2020. We will discuss various achievements and challenges according to the following license categories.

General Category



General Category Royalty Income

WAMI General Category consists of transportation, hotels, malls, shopping centers, restaurants, cafes, discotheques, rest areas, public places, recreation, broadcast, live events, and karaoke. Royalty collection from this category in total increased by 12% from IDR 11.69 billion in 2018 to **IDR 14.10 billion** in 2019.

BGM

Income from **transportation, hotels, malls, shopping centers, restaurants, cafes, discotheques, rest areas, public places and recreation** categories increased 35% from IDR 3.4 billion in 2018 to **IDR 4.59 billion** in 2019.

Broadcast

Income from the **broadcast** category has decreased by 18% from IDR 1.5 billion in 2018 to **IDR 1.23 billion** in 2019.

Live Events

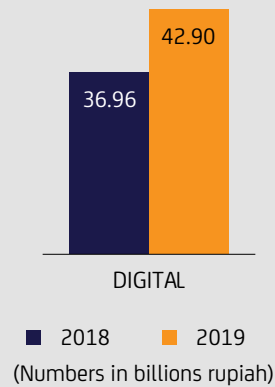
Income from the **live events** category has increased significantly by 160% from IDR 0.93 billion in 2018 to **IDR 2.42 billion** in 2019.

Karaoke

Income from the karaoke category has increased by 3% from IDR 5.7 billion in 2018 to **IDR 5.85 billion** in 2019.

In accordance with the declining trend of Karaoke income, WAMI lowered its collection target in 2020 and so the Live Events target was increased by 100% to compensate it. This increase of target based on the large potential for concerts or live events license payments in various regions to be explored in 2020.

Digital Category

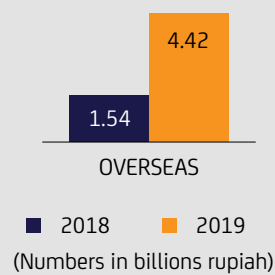


Digital Category Royalty Income

WAMI Digital Category consists of streaming services (music and Video on Demand) web and full track downloads, and applications. In 2019, digital royalty collection reached an increase of 16% from IDR 36.96 billion in 2018 to **IDR 42.90 billion** in 2019.

During 2019 WAMI was being proactive in approaching new DSPs (Digital Service Provider) to collect Performing Rights royalties. DSPs which have been started to work with WAMI in 2019 were Starmaker Interactive, Hago, Melon, Smule, Iflix, WeSing, and Apple Music.

Overseas Category



Overseas Category Royalty Income

WAMI royalty income from the Overseas Category increased significantly from IDR 1.54 billion in 2018 to **IDR 4.42 billion** in 2019. This increase was the result of the increase in the number of new reciprocal agreements between WAMI and various foreign CMOs (Collective Management Organizations).

MEMBERSHIP, DOCUMENTATION, AND DISTRIBUTION REPORT

In 2109 WAMI succeeded in managing and distributing performing rights royalty from Digital Service Provider (DSP) to KCI and RAI. This success was the reflection of DSP's trust to WAMI which has been authorized to collect digital royalty on behalf of authors/composers, international CMOs and 50 music publishers in Indonesia. WAMI has also been trusted and considered to have the ability to manage digital music usage data on very large scale, thus DSP work with WAMI as a one-stop service to distribute digital royalty rights of KCI and RAI.

Various improvements have been made so that digital royalties are distributed to members of WAMI, KCI and RAI in a fair manner according to the musical works usage data reported by each DSP. The improvements include continuous updates on musical works recorded in the WAMI information system. This is not something that can be completed instantly, but the three CMOs are doing their best and as effective as possible to complete members' musical works data recording.



MEMED UMAEDI
MDD Manager
Wahana Musik Indonesia

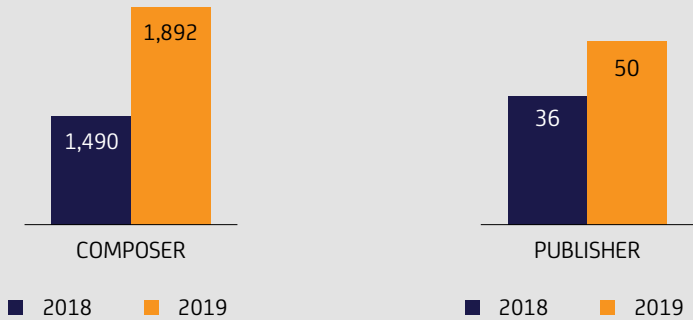
Currently, WAMI is developing a new data management system to accommodate WAMI's needs to catch up with the development of the modern music industry and to be equivalent to the database system used by the leading international CMOs. One of the advantages of this new system is the ability to manage digital data usage faster and with reporting format that suits the needs of WAMI's members. The other advantage is that this system is owned by WAMI so it can be used without contract time limitations and also provides data security assurance.

This system is also capable to synchronize music works catalogue in real time to Cis-NET and WID, this enables WAMI members' songs to be recognized immediately by foreign CMOs thus delays in royalty distribution for works usage out of Indonesian territory can be eliminated.

In 2020, Membership Department is separated from Documentation and Distribution Department. This is based on WAMI's mission to provide better service to its growing number of members. The Membership Department will specifically provide services and education for members so that there will not be any delay or error in information exchanges. The separation also means that the Department of Documentation and Distribution will provide more accurate and timely data management services to members.

Following are the achievements of Membership, Documentation and Distribution Departments during 2019, which have shown improvements.

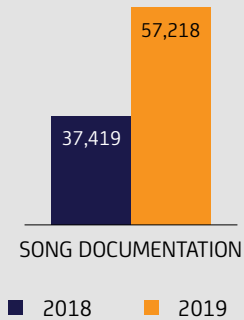
Membership



Left: Total Number of WAMI Members
Right: Number of WAMI Music Publishers

In 2019, WAMI received **400 mandates from new members** to collect performing rights royalties on behalf of them based on song usage. Total WAMI's members were increased by 27% from 1,490 people in 2018 to **1,892 people** at the end of 2019. The number of mandates from music publishers has also increased by 40% from 36 music publishers in 2018 to **50 music publishers** at the end of 2019.

Documentation

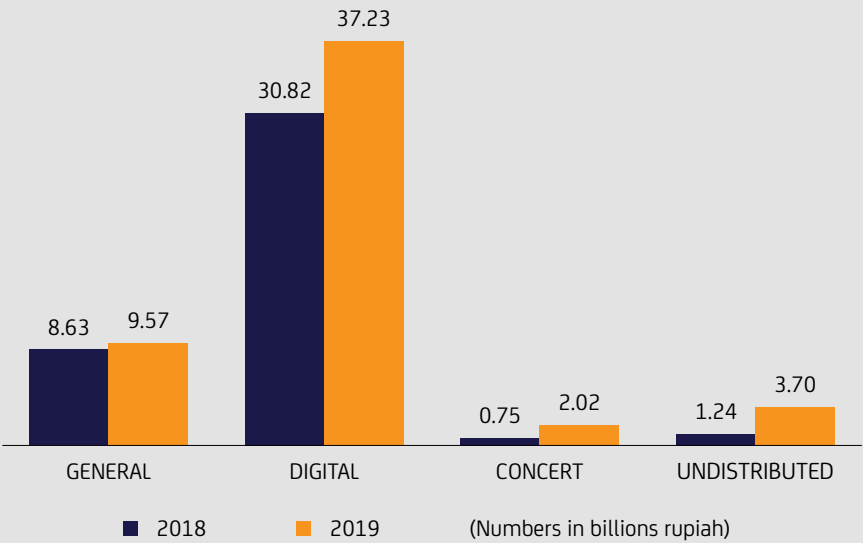


Number of Songs Recorded Into The System

The number of musical works recorded on the WAMI's system increased by 50% from 37,500 works in 2018 to **57,000 works** in 2019. In addition to recording new works, the documentation team has also been continuously updating the existing works data so that royalties paid for musical works usage are distributed fairly.

WAMI is grateful for the increasing awareness of songwriters and music publishers to register their musical works catalogue to WAMI; this has greatly helped the smooth distribution process.

Distribution



Royalty Distribution

Six distributions were successfully carried out in 2019. A total of **IDR 52.5 billion** was distributed; it was an increase of 27% from IDR 41.37 billion in 2018. Concert distribution was held in March, July and November 2019 with a total of **IDR 2.02 billion**, increased by 172% from IDR 740 million in 2018.

Digital distribution was carried out in April and October 2019 with a total of **IDR 37.22 billion**, increased by 28% from IDR 30 billion in 2018. The general distribution includes overseas of **IDR 13.26 billion**, increased by 34% from 2018 of IDR 9.83 billion.

MAIN EVENTS 2019

Music Publisher Socialization

The socialization event was held on March 13, 2019 in Jakarta and was attended by 48 representatives of WAMI affiliated music publishers. This event provided to participants an understanding regarding agreement between music publishers and songwriters, right distribution, completeness of data required to register song works to WAMI, the usage of music works in films/series/FTV/ advertisements, ISWC, ISRC, unclaimed royalty data updates and information about works usage on concerts.



Music Publisher Representatives

Know Your Rights

Know Your Rights is a series of 3 (three) events held in Jakarta, Bandung and Surabaya in July 2019. This event was a collaboration between YouTube and WAMI as CMO to manage royalty collection from digital music service providers in Indonesia.

The Director of Copyright and Industrial Design, Dr. Molan Karim Tarigan, S.H., M.H.; Chief Commissioner of LMKN, Yurod Saleh, S.H., M.H.; YouTube Music Partnerships Manager, Muara Sipahutar; and General Manager of WAMI, Meidi Ferialdi, were the presenters of this event.



Know Your Rights Event in Jakarta

Several important things were presented, such as the introduction of economic rights of the music usage on YouTube, the songwriters' rights of the cover of their musical works, and things that need to be done by the right owners of musical works so that the performing rights royalty from YouTube can be claimed and be distributed. The three series of events were attended by 140 people from Indonesian musicians and songwriters.



Above: Indonesian YouTube Representatives and WAMI Representatives
Left: Event Participants of Know Your Rights in Bandung

Annual General Meeting (AGM) 2019

The Annual General Meeting (AGM) is a gathering for members, music publishers, WAMI's management and personnel. This event was opened by WAMI's Chairman, Mr. Chico Adhibaskara Ekananda Hindarto. The achievements, challenges and innovations of 2019 were presented on this occasion. Also presented the targets expected to be achieved in 2020. The event was attended by 140 members from various regions in Indonesia.



Above & Left: Annual General Meeting (AGM) 2019

The Board of Supervisory Members Election

The event is a 3-year agenda to elect five representatives of WAMI's songwriter members to sit as the Board of Supervisory Agency from a total of 7 (seven) candidates who had passed the previous selection process based on the criteria of catalog number, total carrier period, organizational experiences, and general reputation.

Right & Below: Vote Counting Process



The five elected candidates of Board of Supervisory Agency were Rian Ekky Pradipta, Theresia Ebenna Ezeria, Endang Raes, Dory Windiyanto, and Makki Omar Parikesit. Along with 2 (two) other songwriters, Irfan Aulia and Dose Hudaya, and 7 (seven) representatives of music publishers, the candidates elected will serve as Board of Supervisory Agency for the period of 2019 - 2022. They will be replacing members of the Board of Supervisory Agency who had served during the 2016 - 2019 period. The appointment of Board of Supervisory Agency for the period 2019 - 2022 was recorded in the WAMI's Articles of Association dated January 31, 2020.



WAHANA MUSIK INDONESIA

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