

## Distribution Rule

### CISAC and Contractual Obligations

In formulating these Distribution Rules, the Board is bound to observe and comply with the terms of agreements between MRCSN and:

- (a) its members; and
- (b) its affiliated societies

The Board endeavours as far as possible to comply with resolutions of the International Confederation of Societies of Authors and Composers (CISAC) related to principles governing the fair and equitable distribution of royalties.

Royalties collected and distributed to MRCSN by affiliated societies are subject to the laws, conditions and practices applicable in the country of collection.

### **1. Pool Division:**

A separate distribution pool applies to each of the major identifiable sources of distributable revenue for which programme returns (or similar documentation) are provided to MRCSN. The principal distribution categories are:

- Public Radio
- Commercial Radio
- Community Radio
- Public television
- Commercial television
- Cable broadcasting
- Live performances
- Online licensing
- Ring Back Tones
- Public Transportation
- Hotels, restaurants, bars, pubs
- Discos, aerobics, zumba, gym
- General Licenses
- Permits
- Airlines



A participating MRCSN member is the member who was admitted as MRCSN member in or before the Distribution Year in question.

The UPA will not be allocated to a MRCSN member who has not earned any performing royalties, exclusive of UPA, for 3 consecutive years beginning from the last performance royalties received. However, the UPA will re-apply in the year the member earns actual monitored usage royalties again.

**b. For overseas members:**

A UPA (overseas) ratio for a Distribution Year will be based on the ratio of the royalties distributed to MRCSN members against royalties paid to all affiliated societies in the previous performance year.

eg. MRCSN : Overseas affiliated societies

1 : 1.5

UPA (overseas) ratio 1.5

An amount of UPA is then calculated according to the UPA (overseas) ratio, and allocated to all affiliated societies in a lump sum pro-rated over their performing royalties income of that Distribution Year.

Works in non-members or dispute account will not be considered in determining the UPA ratio.

**6. Program Returns**

MRCSN will endeavour to obtain program details of music performed or broadcasted from all categories of users such as broadcasters, concert organizers, airlines, cinemas, general licensees and permit holders and other available reliable sources. The frequency of such submission will be as follows:

<b>Pool</b>	<b>Program Returns</b>	<b>Sampling</b>
Radio Broadcasters	Acquired from Radio stations	1 in 3 days
TV Broadcasters	Acquired from TV stations	1 in 6 days
General Licenses and Permits	Acquired from all licensees and permits	
Live performances	Acquired from all concert licensees	100% census
RBTs, Online licensing	From content providers or telcos	100% census
Airlines	Acquired from all airlines	Monthly
Cinema	Extract from newspapers	1 in 5 days
Hotels, restaurants, bars, pubs	Acquired from hotels, restaurants	1 in 7 days
Discos, aerobics, gymnasium	Acquired from discos	1 in 7 days

**7. Division of fees**

## **7.1 Works originating from MRCSN repertoire**

The distribution of performing royalties to interested parties shall be based on the divisions contained in Rule 9 hereof. The divisions are in every case subject to any agreement in writing between the interested parties notified to MRCSN, except that in no case may the share of the publisher, or the combined share of all publishers of a particular work, exceed one-half (50%) of the total distribution fees.

When a composer or lyricist is not a member, his share is placed in the Non-Member Special Account. For performances of work originally in vocal form, the lyricist will receive his/her normal share. If, however, a vocal version is made of a work that is originally in instrumental form, the lyricist shall receive a share only if the vocal version is performed.

The translator of non-copyright works, or the author of new works replacing original non-copyright works, shall receive a normal lyricist's share.

## **7.2 Works originating from the repertoire of other societies**

MRCSN shall use the share divisions according to information given and conditions laid down by the society from which the work originated, provided that they are consistent with the CISAC recommendations.

## **7.3 Foreign-originated works**

### **a. Non- member publisher**

Where a publisher is not a member, its allocated share will be divided equally between the composer and author.

### **b. Non-member writer**

Where a composer or author is not a member, his share will be paid to the society of the original publisher.

If the work is unpublished, the non-member writer share will be paid to the society of the co-writer, if any.

## **8. Allocation of shares**

8.1 Each member must notify MRCSN of the allocation of shares (or, division of fees) and the full names of all sharers, in sufficient detail, of each musical work to be administered by MRCSN. With the prior agreement of MRCSN, the members may register works in which they have a share by means of online data entry or computer tapes or disks.

8.2 Where notification of sharers is provided to MRCSN by a publisher, MRCSN verifies the allocation of shares by contacting the writer(s) concerned.

8.3 MRCSN verifies the allocation of shares appearing on writers' registrations by contacting, where relevant, all other writers concerned.

8.4 Where sharers in a given title seek a re-allocation of shares for the title, all such sharers must sign a consent to the re-allocation and a statement confirming that the re-allocation of shares correctly reflects the authorship of the work.

In the absence of specific notification of contractual agreement to the contrary, the shares of a musical work are allocated equally between the lyricists and composers of the work.

## **9. Music Classification**

The following definitions are used to identify types of musical works or types of usage for works registration and royalties distribution:

## 9.1 Featured Work

Serious Music (WS) : All serious music performed live in concert or by radio broadcast.

Pop Music (WP) : All featured music not included as serious music performed in concert or by radio broadcast or by general licensees.

## 9.2 Programme music

Music used in film, TV/radio programmes.

Title Music (FT) : Music used on radio and TV and found at the beginning and/or end of an individual programme or each programme of a series or a film.

Visual Music (FV) : Music used as being audible to the character(s) in the scene portrayed.

Background Music (FB): Music which is heard by the viewers as an accompaniment to the scene portrayed but not performed as being audible to the character(s) therein.

This can also be used by general licensees.

Signature Tune (ST): Music used on radio or TV to identify or set the mood of an individual programme or each programme of a series of a film used before and after each commercial break, or music used, on radio and is found at the beginning and/or end of each non-music programme including traffic news, financial report, weather report and news.

Commercial Jingle (CJ): A short musical item performed on radio or TV to advertise a product or promote an event.

Trademark/Emblem/Logo (TM): A short musical item performed at the beginning or end of (but not specifically related to) a film or TV programme, and advertises the producer or distributor of that film or programme.

Station Identification Music (SI) : A short musical item on radio or TV performed to identify and promote a particular broadcasting station or channel.

Interval Music (IM) : Music used on TV which does not form part of advertised programmes and which is played during a voluntary or involuntary break in transmission eg. music videos.

Programme Identification Music (PI): Music used on TV at the end of a voluntary or involuntary break in transmission, which does not form part of advertised programmes but relates to subsequent programme.

## 10. Points Awards Table

<u>Music Type</u>	<u>Table Used</u>
WS Serious Music	T1
WP Pop Music	T1
FT Title Music	T2
FV Visual Music	T2
IM Interval Music	T2
FB Background Music	T3

ST	Signature Tune	T3
CJ	Commercial Jingle	T3
TM	Trademark/Emblem/Logo	T3
SI	Station Identification Music	T3
PI	Programme Identification Music	T3

**Table T1**

<u>From</u>	<u>To</u>	<u>Points</u>
0' 1"	4' 0"	3.0
4' 1"	6' 0"	4.0
6' 1"	8' 0"	6.0
8' 1"	10' 0"	7.5
10' 1"	15' 0"	13.0
15' 1"	20' 0"	17.0
Above 20'		30.0

**Table T2**

<u>Time</u>	<u>Points</u>
First 30 seconds	0.3
Every 10 seconds thereafter	0.01 per second

**Table T3**

<u>Time</u>	<u>Points</u>
First 30 seconds	0.2
Every 10 seconds thereafter	0.01 per second

## **11. Special Accounts**

At each distribution, royalties payable to a work or to certain interested party/ parties of a work may be held in suspense in the following Special Account:

### **11.1 Public Domain Special Account (PD)**

Works that are arrangements of works in the public domain may have a share of royalties withheld for the non-copyright element in the work. The share will be placed in this account. The amount allocated to this account will be ploughed back into the distribution pool and allocated proportionally to all other parties receiving royalties in the current distribution category.

### **11.2 Non-member Special Account (NM)**

#### 11.2.1. MRCSN -originated work:

If one of the interested parties of a MRCSN originated work is not a member, that non-member share will be placed in this account. The royalties will be held for up to 3 years until the non-member becomes a member only then will the amount be released. If the non-member does not become a member within the 3 years, the non-member royalties will be ploughed back into the distribution pool in the 4th year's distribution and allocated proportionally to all parties receiving royalties in the current Distribution Year.

#### 11.2.2. Non-MRCSN originated work:

When a composer or author is not a member, his/her share will be paid to the society of the original publisher for the society to admit this non-member having his/her business relationship with the original publisher.

### **11.3 Dispute Special Account (DIS)**

Royalties or a share of royalties for a work in dispute (eg. arising from alleged infringement or conflicting ownership claim) would be held in this account. Royalties will remain in suspense until MRCSN is notified of a settlement.

### **11.4 Credits in Suspense (CIS)**

In case there is no documentation and in which case even the CISAC Warsaw Rule is not applicable, royalties will be placed in this account. If the work is identified before the next distribution, the royalties will be paid to the interested parties accordingly. The balance royalties will be ploughed back into the corresponding distribution category and be allocated proportionally to all parties receiving royalties in the current distribution category.

### **11.5 Missing Deed of Assignment**

Distributable royalties will be held in this account in case a member fails to submit deed of assignment by the time of distribution. The amount will not be released until the member submits the deed.

## **12. Royalties received from affiliated societies**

These royalties are distributed to members together with the performance royalties on an annual basis. MRCSN does not deduct any administrative cost for such royalty payments.

## **13. Adjustments**

In the normal course of distribution, error may occur due to misidentification of works or their interested parties. Members and foreign societies are entitled to adjustments if MRCSN is notified within 3 years of such distribution.

Royalties due to sampled audio visuals not payable owing to lack of documentation will be paid if MRCSN is notified with the relevant cue sheets from the members or affiliated societies within 3 years of distribution.

#### **14. AMALFI Resolution of CISAC**

14.1 That the author of an authorized local version should be entitled to receive a share in the distribution of performance royalties only if:

- a. it is the local version which has been performed or
- b. the performance was a performance of an instrumental version or
- c. there is genuine doubt as to which version was performed.

14.2 That the societies distribution rules should provide:

- a. that for performances of a local version the shares distributed to the original lyricist and the local sub-lyricist respectively should be equal;
- b. that for performances of an instrumental version, or where it is not known whether the original version or the local version was performed, the share distributed to the original lyricist should be double the share distributed to the local sub-lyricist.

14.3 That this recommendation be applied:

- a. in respect of all performances which take place from the January 1, 1991 onwards and
- b. regardless of when the performed works were originally composed.