

AMCOS

**DISTRIBUTION
RULES**

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1. Legal Authority And Interpretation

- 1.1 In these rules, a reference to an Article is a reference to Articles of AMCOS's Constitution.
- 1.2 The legal power and responsibility for determining the method of entitlement by which AMCOS's revenue – consisting of licence fees collected in Australasia, distributions received from affiliated societies and interest earned on investments – is allocated and distributed rests with AMCOS's Board of Directors (Article 72). Any method of entitlement fixed by the Board shall comply with the terms and conditions of any agreement in force from time to time between AMCOS and any member. (Article 72(b).)
- 1.3 Subject to paragraph 1.4, royalty allocations and distributions made by the Board are final and binding except that the Board shall be at liberty to consider and if thought fit to admit any claims made by interested persons within two years of the date of the allocation or distribution concerned.
- 1.4 AMCOS may recover from any member any amounts paid in error by recovering that amount from the member or deducting the amount from any amount distributable to the member.
- 1.5 The Distribution Rules are determined by AMCOS's Board of Directors from time to time pursuant to the authority conferred by Articles 63 and 72. Such determinations are made with the intent and purpose of achieving a fair and equitable distribution of the income collected by AMCOS.
- 1.6 Rules are applied and interpreted by AMCOS's Board in a manner that best achieves this intent and purpose. If, in the Board's opinion, this intent and purpose is being abused or has been abused, appropriate action may be taken in order to prevent or remedy this abuse or potential abuse.
- 1.7 Any member is at any time at liberty to notify AMCOS of his or her objection to any Distribution Rule. AMCOS's Board will, as soon as practicable after that notice, review the objection provided that it is not vexatious or trivial.

2. Exclusions

- 2.1 AMCOS's exclusive licence with its Members does not apply to records made by any of the following companies:-

AUSTRALIAN COMPANIES

EMI Music Australia Pty Ltd
Festival Mushroom Records Pty Ltd
Readers Digest Services Ltd
Sony BMG Music Entertainment (Australia) Ltd
Universal Music Australia Pty Ltd
Warner Music Australia

NEW ZEALAND COMPANIES

EMI Music New Zealand Ltd
Sony BMG Music Entertainment (NZ) Ltd
Universal Music NZ Ltd
Viking Sevenses Ltd
Warner Music NZ Ltd

These Companies account mechanical royalties direct to the Copyright Owner.

3. BIEM/CISAC And Contractual Obligations

- 3.1 In formulating Distribution Rules the Board is bound by Article 72 to observe and comply with the terms of agreements between AMCOS and:
- (a) its members; and
 - (b) its affiliated societies
- 3.2 Although not binding, the Board endeavours as far as possible to comply with resolutions of the Bureau International Des Societies Gerant Les Droits D'enregistrement et de Reproduction Mecanique (BIEM) related to principles governing the fair and equitable distribution of royalties.
- 3.3 Royalties collected and distributed to AMCOS by affiliated societies are subject to the laws and conditions applicable in the country of collection.

4. Royalty Distribution Generally

- 4.1 AMCOS is entitled to deduct and retain the following commission from:

(a) Members

The commission rate is determined by membership status and licence type – see table below. Such rate of commission may be varied at any time at the discretion of the Board provided that any such variation shall apply equally to all AMCOS members.

Licence Category	Category A Members	Category B Members
Audio Recordings – Majors	17.50%	12%
Audio-Visual Recordings – Majors	17.50%	12%
Network TV	12%	12%

Blankets		
Non-Network TV Productions	10%	5%
Audio Recordings – Non-Majors	17.50%	12%
Audio-Visual Recordings – Non-Majors	17.50%	12%
Digital Downloads	17.50%	12%
Imports	17.50%	12%
Internet & Other New Media Applications	17.50%	12%
Overseas	10%	5%
Production Music	17.50%	12%
Ringtones	12%	12%
School Print Licences	12%	12%
Schools Audio/Visual Licences	17.50%	12%
Control Account Recoveries	17.50%	3%
Majors Dispute Account Recoveries	17.50%	3%
Audit Recoveries	17.50%	12%
Screenrights	12%	12%

(b) Affiliated Societies

Fifteen (15%) of all fees, royalties and other sums received.

(c) APRA Exclusive Agency Writers

17.50% of all fees, royalties and other sums received.

- 4.2 AMCOS distributes on a quarterly basis within 60 days after the end of each calendar quarter.
- 4.3 Royalties received from affiliated societies are distributed to members within 60 days of the quarter received.
- 4.4 AMCOS deducts 5% of net royalties received from affiliated societies in respect of the costs associated with analysis and processing of such royalty payments.

5. Notification Of Shares

- 5.1 Each member upon their admission must notify AMCOS all works in respect of which they are the publisher, or proprietor and thereafter so notify all further

works which they have published or in which they have acquired an interest. Every member shall also inform the Society of the interest of any other person in any works so notified. With the prior agreement of AMCOS, members may register works in which they have an interest by means of on-line data entry or computer tapes or disks.

6. Complaints Procedure

6.1 HOW TO MAKE A COMPLAINT

If you have a complaint about any aspect of the APRA/AMCOS business or operations, you should make your complaint **in writing**. Because each area of our business and the interests of our clients are specialized, you should address the complaint as follows:

APRA Licensees

Director of General Licensing

APRA/AMCOS Members

Director of Member Services

AMCOS Licensees

Director of Media Licensing

At 6-12 Atchison Street, St Leonards, NSW 2065

Or via email to the address below

Complaints Officer at APRA/AMCOS

[complaints @apra.com.au](mailto:complaints@apra.com.au)

If you do not know who to address the complaint to, or if the complaint is of a general nature, address it to the Complaints Officer, at the above address.

Your name and relevant contact details must be provided.

APRA/AMCOS will not investigate anonymous complaints.

6.2 Who Can Make A Complaint?

Any person or organization that has dealings with APRA/AMCOS can make a complaint, including members, licensees and people wishing or eligible to be members or licensees.

6.3 Assisting in Formulating a Complaint

If you require some assistance in either formulating your complaint or identifying who the complaint should be addressed to, please email or write to the Complaints Officer at APRA/AMCOS.

Your complaint must include:

your name and contact details and/ or the name and contact details of your organization

the nature of the practice complained of. Areas of possible complaint may include, for example, eligibility for membership to APRA/AMCOS, our distribution policies, the terms of our licences, the amount of the fees payable under our licences, the standard of services we provide, the conduct of any of our employees or the transparency of our operations.

the reason for your complaint

the outcome you hope to achieve

6.4 Dealing with Complaints

We will acknowledge receiving the complaint within 7 days of receiving it.

We will respond to the complaint in writing within 14 days of acknowledgement

We will maintain a register of all complaints received and the response we have made and the Complaints Officer will have a copy of that register.

All responses will provide you with the opportunity to take the matter further.

You will have a further 21 days to make any comments on or to respond to our response

If you are not satisfied with the explanation that has been provided you will have a further 14 days to request that the matter be referred to alternative dispute resolution. The dispute resolution procedure will be Expert Determination.

7. Dispute Resolution Procedure

7.1 If AMCOS is notified of a dispute among members, or involving members of an affiliated society, AMCOS will, on being satisfied that the claim giving rise to the dispute;

- (a) is not trivial or vexatious; and
- (b) is supported by prima facie documentary evidence (which may include a statutory declaration)

place the mechanical royalties, if any, in suspense until the dispute is:

- (c) settled; or
- (d) resolved by a Court or alternative dispute resolution (“ADR”)

7.2 AMCOS offers ADR by way of binding referral to an independent expert subject to all parties agreeing to submit to the procedure.

8. Monies In Control

- 8.1 AMCOS uses its best efforts to identify all works submitted for licensing. If the Record Company does not maintain a copyright control account AMCOS will invoice as though AMCOS controls the Mechanical Right in all of the copyright works listed as being reproduced. AMCOS is entitled to hold these royalties for a period of 2 years from the date of receipt by AMCOS. Where AMCOS is subsequently able to identify the copyright owner these monies will be paid out in the next distribution. Where AMCOS fails to identify the copyright owners of a work within the 2 year period AMCOS must credit the payment for the work to the Record Company.

9. Sources Of Revenue

- 9.1 Distributable revenue means gross licence fees collected, less AMCOS's commission.

- 9.2 The principal licence categories are;

- (a) Non-major record companies – audio/video/karaoke
- (b) Occasional sundry clients – audio/video/karaoke
- (c) Production music
- (d) Commercial Television Networks - reproduction & broadcast (production music)
- (e) National Broadcasters
- (f) Mini-blanket licences
- (g) Commercial radio
- (h) Community radio
- (i) Community television
- (j) Pay TV
- (k) Narrowcast radio
- (l) Joint ARIA licences
- (m) Synchronisation/premiums (affiliated societies works only)
- (n) Non-retail blanket licences
- (o) Online/Ringtones
- (p) Schools photocopying Licence
- (q) Schools audio visual blanket licence
- (r) Screenrights
- (s) Audit recoveries

- 9.3 Distributable revenue can be split into two broad categories

- (a) pay per use
- (b) blanket pools

Distributable revenue for which no works documentation is available is apportioned to pools which, in the Board's view, most accurately reflect the works reproduced.

- 9.4 Distributable revenue is paid to the copyright owner at time of distribution.

10. Distribution – Non-Major Record Companies/Occasional Sundry Clients/Karaoke/Production Music

Where the licence fee is calculated on a pay per use basis the amount collected per work is paid to the copyright owner at time of distribution. If there is no copyright owner at the time of distribution the royalties are held in control until such time as there is an owner. All monies held in control will be paid to the new owner. Distributions are made on a quarterly basis for all invoices which are paid in full at the end of each quarter.

All Karaoke licence fees are distributed to the copyright owner/s in the musical work.

11. Distribution – Commercial Television Networks

- 11.1 Cue sheet information for programmes made under these blanket licences is extracted from the APRA performance pool for the relevant licence period and is distributed half yearly.
- 11.2 Each work receives one credit point per 30 seconds or part thereof.
- 11.3 Production music used in programs is given an additional 15% weighting for the reproduction of the sound recording.
- 11.4 Production music used in promotions and TV station identifications is given a 100% weighting for the reproduction of the sound recording.
- 11.5 Production music used in advertisements is invoiced on a pay per use basis. Distributions are made on a quarterly basis for all invoices which are paid in full at the end of each quarter.
- 11.6 The total licence fee is distributed at time of distribution to the current owners of the works. No monies are carried forward.

12. Distribution – National Broadcasters (ABC & SBS)

- 12.1 Cue sheet information for programmes made under these blanket licences is extracted from the APRA performance pool for the relevant licence period and is distributed half yearly.
- 12.2 There is only one pool for all national broadcasters.
- 12.3 Each work receives one credit point per 30 seconds or part thereof.

- 12.4 The total licence fee is distributed at time of distribution to the current owners of the works. No monies are carried forward.
- 12.5 Production music used in programs is given an additional 15% weighting for the reproduction of the sound recording.

13. Distribution – Commercial Radio/Community Radio/Narrowcast Radio

- 13.1 Licence fees are distributed to production music works used in radio advertisements/promotions by FARB members based on data from the APRA performance pool for the relevant licence period.
- 13.2 Each work receives one credit point per 30 seconds or part thereof.
- 13.3 The total licence fee is distributed at time of distribution to the current owners of the work.

No monies are carried forward.
- 13.4 Licence fees are distributed half-yearly.

14. Distribution – Pay TV

- 14.1 Programmes are licensed under a blanket licence but are invoiced on a pay per use basis.
- 14.2 Each work receives one credit point per 30 seconds or part thereof.
- 14.3 Distributions are made on a quarterly basis for all invoices which are paid in full at the end of each quarter.
- 14.4 Pay TV music channels are licensed and distributed as a blanket licence based on cue sheet information supplied by APRA for the relevant licence period. Each work receives one credit point per 30 seconds or part thereof. The total licence fee is distributed at time of distribution to the current owners of the works. No monies are carried forward. Distributions are made half-yearly.

15. Distribution –Mini Blanket Licences

- 15.1 May be licensed per work or per episode basis.
- 15.2 If licensed by work each work receives one credit point per 30 seconds or part thereof. Distributions are made on a quarterly basis for all invoices which are paid in full at the end of each quarter to the current owners of the works.
- 15.3 If licensed on a per episode basis each work receives one credit point per 30 seconds or part thereof and the licence fees are pro-rated over all AMCOS

controlled works. Distributions are made in the quarter the licence fee has been paid in full. The total licence fee is distributed at time of distribution to the current owners of the work. No monies are carried forward.

16. Distribution – Non Retail Blankets

- 16.1 Licence fees are distributed as a blanket licence based on the music returns supplied by the Licensees.
- 16.2 Licence fees are allocated to 7 discrete pools
 - (a) Aerobics Audio/TV
 - (b) Digital Delivery
 - (c) In-flight Audio/Video
 - (d) Audio Productions
 - (e) Midi Recordings
 - (f) Music Videos (Non TV)
 - (g) Radio Syndication
- 16.3 Licence fees are distributed according to song occurrence not duration.
- 16.4 Minimum amount distributed per work is \$10.
- 16.5 The total licence fee is distributed at time of distribution to the current owners of the works. No monies are carried forward.
- 16.6 Distributions are made half-yearly.

17. Distribution – Online General

- 17.1 May be licensed on a pay per use or blanket basis.
- 17.2 If licensed on a pay per use basis each work receives one credit point per 30 seconds or part thereof. If duration is not provided fees are distributed equally on a song occurrence basis. Distributions are made on a quarterly basis for all invoices which are paid in full at the end of each quarter to the current owners of the works.
- 17.3 If licensed on a blanket licence basis each work receives one credit point per 30 seconds or part thereof. If duration is not provided fees are distributed equally on a song occurrence basis. Distributions are made in the quarter the licence fee has been paid in full. The total licence fee is distributed at time of distribution to the current owners of the works. No monies are carried forward.

18. Distribution – Ringtones

- 18.1 Licensed and distributed on a pay per use basis based on sales.
- 18.2 Distributions are made on a quarterly basis for all invoices which are paid in full at the end of each quarter to the current owners of the work.

19. Distribution – Downloads

- 19.1 Licensed and distributed on a pay per use basis based on sales.
- 19.2 Distributions are made on a quarterly basis for all invoices which are paid in full at the end of each quarter to the current owners of the work.

20. Distribution – Joint Aria Licences

- 20.1 By resolution of the Board these Licence fees are not distributed. They are used to pay for industry matters at the discretion of the Board.

21. Distribution – Screenrights Musical Works

- 21.1 Royalties are allocated on a work by work basis based on duration by APRA on behalf of Screenrights per the copying records received from educational institutions.
- 21.2 Distributions are made annually by 31st December each year to the current owners of the works.
- 21.3 If there is no current owner monies are held in control until they are able to be distributed.

22. Distribution – Screenrights Sound Recordings

- 22.1 Royalties received are for production music sound recordings only.
- 22.2 A separate pool is created from the Musical Works pool and royalties are allocated to each sound recording on a pro-rata basis.
- 22.3 Distributions are made annually by 31st December each year.

23. Distribution – Schools Photocopying

- 23.1 Gross licence fees less administrative costs and expenses are distributed.
- 23.2 Royalties are distributed 50% to the copyright owner in the musical work and 50% to the print right owner.
- 23.3 Distributions are made annually to the current owners of the works.
- 23.4 Undistributed royalties are carried forward to the next distribution pool.

24. Distribution – Schools Audio And Video Licence.

- 24.1 Licence fees, less AMCOS administration fees, are split 50/50 with ARIA. All additional costs of administering the licence are borne equally between AMCOS and ARIA.
- 24.2 Licence fees are distributed as a blanket licence based on the works reported in the Schools Photocopying distribution.
- 24.3 The total licence fee is distributed at time of distribution to the current owners of the works. No monies are carried forward.
- 24.4 Distributions are made annually.

25. Distribution – Cal Statutory Licence

- 25.1 Gross licence fees less administrative costs are distributed.
- 25.2 Royalties are distributed 50% to the copyright owner in the musical work and 50% to the print right owner.
- 25.3 Distributions are made annually to the current owners of the works.
- 25.4 Undistributed royalties are carried forward to the next distribution pool.

26. Distribution – Major Record Companies Control/Dispute

- 26.1. When identified monies are paid to the current owners of a work/s.
- 26.1 Distributions are made quarterly.

27. Distribution – Major Record Companies Audit Recoveries

- 27.1 Monies recovered are distributed after the deduction of the audit costs.
- 27.2 If these monies are received on a work basis they will be paid to the current owners of the works.
- 27.3 Lump sum settlements are distributed at the Board's discretion.

27 GST

- 27.1 If a member is liable to pay goods and services tax (GST), AMCOS must, in addition to any amount payable under these rules, pay the member an amount equal to the GST within 28 days after receiving the member's tax invoice and notice under paragraph 27.2.
- 27.2 The member must provide AMCOS with a tax invoice in accordance with GST law, unless AMCOS is entitled to issue a recipient created tax invoice.