

AMCOS

Distribution

Rules



**APRA
AMCOS**

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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 88). 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 88(d).)
- 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 79 and 88. 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.
- 1.8 These Distribution Rules should be read in conjunction with the Document entitled "Distribution Practices", which explains how the distribution processes are carried out.

2. Exclusions

- 2.1 AMCOS is not bound to collect or distribute monies where the Member has opted out and therefore revoked a licence granted to AMCOS under their Membership Agreement.

3. BIEM/CISAC And Contractual Obligations

- 3.1 In formulating Distribution Rules the Board is bound by Article 88 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 Blankets	12%	12%
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.

- 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.

5.2 Collective Works:

Where two or more authors contribute distinct parts to a work (as in music and lyrics, or separate verses of a song), the work is a “collective Work”, being a work comprising two or more separate works.

In such cases, the share of the writer who becomes ‘non-copyright’ (i.e. 70 years after death for Australia, 50 years after death for New Zealand) is reallocated to the remaining copyright interests, as per the following examples

- | | | |
|-------|-------------------|------|
| (i) | Composer (NC) | 0% |
| | Lyricist | 100% |
| (ii) | Composer | 100% |
| | Lyricist (NC) | 0% |
| (iii) | Composer (1) (NC) | 0% |
| | Lyricist (2) | 50% |
| | Publisher (1) | 0% |
| | Publisher (2) | 50% |

(iv)	Composer (1)	50%
	Lyricist (2) (NC)	0%
	Publisher (1)	50%
	Publisher (2)	0%

Non-copyright shares allocated to the copyright composers and lyricists in Collective Works, as shown above, are payable to those copyright composers' and lyricists' publishing interests in accordance with their contractual arrangements.

5.3 Joint Works:

Copyright in Works of Joint Authorship (i.e., works where the contribution of individual writers in the music, the lyrics, or the music and lyrics are indivisible) subsists until 70 years (Australia) or 50 years (New Zealand) after the death of the last surviving joint author. All writer and publisher shares in the joint work remain intact (subject to contractual change) until that time – see following examples (asterisked writers are deemed to have been deceased for more than 70/50 years)

(i)	Composer	50%
	Composer*	50%
(ii)	Composer	25%
	Composer *	25%
	Lyricist	50%
(iii)	Composer	50%
	Lyricist*	25%
	Lyricist	25%
(iv)	Composer	50%
	Composer *	50%
	Lyricist * (NC)	0%
	<i>Note 1</i>	
(v)	Composer * (NC)	0%
	Lyricist *	50%
	Lyricist	50%
	<i>Note 2</i>	
(vi)	Composer	25%
	Composer *	25%
	Lyricist	25%
	Lyricist *	25%
	<i>Note 3</i>	
(vii)	Composer * (NC)	0%
	Composer * (NC)	0%
	Lyricist	50%
	Lyricist *	50%
	<i>Note 4</i>	

(viii)	Composer	25%
	Composer & Lyricist	50%
	Lyricist	25%
	Note 5	

Note 1 – as there is no other lyricist (i.e. the lyrics are not a ‘joint work’), the share of the NC lyricist is allocated equally to the copyright composers.

Note 2 - as there is no other composer (i.e. the music is not a ‘joint work’), the share of the NC composer is allocated equally to the copyright lyricists.

Note 3 – both the words and music are ‘joint works’. All shares in the words remain intact until the 70/50 years after the death of the last lyricist, and all shares in the music remain intact until 70/50 years after the death of the last composer.

Note 4 – both composers have been dead for more than 70/50 years. The NC composer shares are allocated to the copyright lyricists. Equally, NC lyricist shares would be allocated to the copyright composers.

Note 5 – this is a ‘joint work’. All shares remain intact until 70/50 years after the death of the last writer.

AMCOS will rely on members’ registrations and, where appropriate, international files and registrations (fiches internationales) to determine whether a work is a ‘Joint Work’ of a ‘Collective Work’. Members’ registrations should clearly indicate the contribution of each writer of the work (C = composer, A = Author or Lyricist and CA = Composer and Author). Where doubt exists as to the status of a work, AMCOS will presume the work to be a Joint Work.

6. Complaints Procedure

6.1 HOW TO MAKE A COMPLAINT

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

Licensees

Head of Revenue

Members

Head of Member Services

AMCOS Licensees

Director of Media Licensing

At 16 Mountain Street, Ultimo, NSW, 2007

Or via email to the address below

Complaints Officer at APRA/AMCOS

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.

AMCOS will not investigate anonymous complaints.

6.2 Who Can Make A Complaint?

Any person or organisation that has dealings with 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 AMCOS.

Your complaint must include:

- your name and contact details and/ or the name and contact details of your organisation
- the nature of the practice complained of. Areas of possible complaint may include, for example, eligibility for membership to 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
- any material that supports your complaint

6.4 Dealing with Complaints

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

If the complaint involves another person, we will forward the complaint and any supporting material to that person for comment

We will respond to the complaint in writing within 14 days of acknowledging receipt. However, if the complaint involves another person, we will respond as soon as practicable after receiving that person's comment on the complaint.

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, as to the allocation of shares in a work administered by it, AMCOS may, at its discretion, if it is satisfied that it is appropriate to do so in all circumstances, place all or any mechanical royalties relating to the work in suspense until the dispute is:

- (a) settled by agreement between the parties; or
- (b) resolved by a Court or alternative dispute resolution (“ADR”).

7.1 A In determining whether to exercise its discretion under rule 7.1, AMCOS must take into account:

- (a) the nature and significance of the dispute between the parties;
- (b) the material provided by the parties to AMCOS relating to the dispute;
- (c) any undertakings relating to the payment or repayment of royalties given by the parties;
- (d) the apparent strength of each member’s claim to a share of the work;
- (e) any other matters relating to the dispute that AMCOS considers to be relevant.

7.1 B AMCOS may at any time reconsider a decision whether or not to place mechanical royalties in suspense and may revoke or vary that decision or make a new decision in substitution for it.

7.2 AMCOS offers ADR, by way of binding referral to an independent expert, in the following circumstances, subject to all parties agreeing to submit to the procedure;

- (i) Where members are in dispute as to the proportion in which royalty allocations are to be shared;
- (ii) Where members are in dispute as to their respective entitlements from AMCOS

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 1/2 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 1/2 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) Major/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
 - (t) Digital Downloads/Streaming Services
- 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 – Major Record

Companies/Non-Major Record Companies/Occasional Sundry Clients/Karaoke/Production Music

- 10.1 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 quarterly.
- 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 quarterly.
- 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 using data extracted from APRA performance pools 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 quarterly.

14. Distribution – Pay TV

- 14.1 Programmes are licensed under a blanket licence.
- 14.2 Each work receives one credit point per 30 seconds or part thereof.
- 14.3 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 quarterly.

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 \$20.
- 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 quarterly.

17. Distribution – Music On Devices

- 17.1 By resolution of the AMCOS Board, approximately 10% of the total licence fees are allocated to fund industry matters, such as anti-piracy initiatives.
- 17.2 Remaining licence fees are distributed as a blanket licence based on the music returns supplied by streaming services.
- 17.3 Licence fees are distributed according to song occurrence not duration.
- 17.4 The total licence fee is distributed at time of distribution to the current owners of the works. No monies are carried forward.
- 17.5 Distributions are made quarterly.

18. Distribution – Childcare Centres

- 18.1 Licence Fees are distributed using the blanket distribution methodology, based on music returns supplied by selected digital radio services.
- 18.2 Each work receives one credit point per 30 seconds or part thereof.

- 18.3 The total licence fee is distributed at time of distribution to the current owners of the works. No monies are carried forward.
- 18.4 Distributions are made quarterly.

19. Distribution – Online General

- 19.1 May be licensed on a pay per use or blanket basis.
- 19.2 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.
- 19.3 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.

20. Distribution – Streaming Services

- 20.1 Usage information for musical works reproduced under these licences is extracted from the APRA performance pool for the relevant licence period and is distributed quarterly.
- 20.2 Each work is credited with a value on a per-stream basis.
- 20.3 The total licence fee is distributed at time of distribution to the current owners of the works. A control account threshold (currently set at 100,000 streams per work) has been approved by the AMCOS Board for works (or shares of works) where a copyright owner was not identified at the time of the distribution. For works above this threshold, royalties for the unidentified share(s) are held in a control account until such time as there is an owner. All monies held in control will be paid to the owner once they have been identified or returned to the distribution in instances where ownership cannot be identified. For unidentifiable works below this threshold, the aggregate value is distributed proportionately against the identifiable works in that same usage report.
- 20.4 Distributions are made on a quarterly basis for all invoices which are paid in full at the end of each quarter.

21. Distribution – Ringtones

- 21.1 Licensed and distributed on a pay per use basis based on sales reported each quarter.
- 21.2 All works reported to AMCOS by the ringtone providers that match automatically with works in APRA's database are included in AMCOS's distributions irrespective of the dollar amount to be distributed.

- 21.3 Works that do not match automatically with works in APRA's database are included in AMCOS's distributions only when their distribution value reaches a pre-determined threshold; this threshold being \$15 for a work (this is a combined AMCOS/APRA amount).
- 21.4 Works that do not reach the required threshold in the first reporting quarter are added to APRA's database. The AMCOS distribution amounts calculated from the value of subsequent sales accumulate for each work until the relevant threshold is reached.
- 21.5 Works with a value below the threshold are thoroughly researched if a distributable amount arises from any other income source (including a performance as reported to APRA)
- 21.6 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.

22. Distribution – Downloads

- 22.1 Licensed and distributed on a pay per use basis based on sales reported each quarter.
- 22.2 All works and productions reported to AMCOS by the digital download providers that match automatically with works and productions in APRA's database are included in AMCOS's distributions irrespective of the dollar amount to be distributed.
- 22.3 Works and productions that do not match automatically with works and productions in APRA's database are included in AMCOS's distributions only when their distribution value reaches a pre-determined threshold; this threshold being \$15 per work (this is a combined AMCOS/APRA amount).
- 22.4 Works and productions that do not reach the required threshold in the first reporting quarter are added to APRA's database. The AMCOS distribution amounts calculated from the value of subsequent sales accumulate for each work and production until the relevant threshold is reached.
- 22.5 Works and productions with a value below the threshold are thoroughly researched if a distributable amount arises from any other income source (including a performance as reported to APRA)
- 22.6 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.

23. Distribution – Joint Aria Licences

- 23.1 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.
- 23.2 The AMCOS share of these Licence fees is distributed with the Non-Retail Blanket distribution data.

24. Distribution – Screenrights Musical Works

- 24.1 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.
- 24.2 Distributions are made annually In the June quarter distribution to the current owners of the works.
- 24.3 If there is no current owner monies are held in control until they are able to be distributed.

25. Distribution – Screenrights Sound Recordings

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

26. Distribution – Schools Photocopying

- 26.1 Gross licence fees are distributed.
- 26.2 Royalties are distributed 50% to the copyright owner in the musical work and 50% to the print right owner.
- 26.3 Distributions are made annually to the current owners of the works.
- 26.4 Undistributed royalties are carried forward to the next distribution pool.
- 26.5 Where AMCOS receives book-only data (rather than data relating to individual works) and it constitutes 3% or less of the total pages to be distributed, such data will be excluded from the Schools Photocopying distribution. Where book-only data constitutes in excess of 3% of the total pages to be distributed, the matter will be referred to the Print Music and Education Committee for a determination prior to the making of the distribution.

27. Distribution – Schools Audio And Video Licence.

- 27.1 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.
- 27.2 Licence fees are distributed as a blanket licence based on the works reported in the Schools Photocopying distribution.
- 27.3 The total licence fee is distributed at time of distribution to the current owners of the works. No monies are carried forward.
- 27.4 Distributions are made annually.

28. Distribution – Cal Statutory Licence

- 28.1 Gross licence fees are distributed.
- 28.2 Royalties are distributed 50% to the copyright owner in the musical work and 50% to the print right owner.
- 28.3 Distributions are made annually to the current owners of the works.
- 28.4 Undistributed royalties are carried forward to the next distribution pool.

29. Distribution – Major Record Companies Control/Dispute

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

30. Distribution – Major Record Companies Audit Recoveries

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

31. Adjustments

- 31.1 AMCOS may from time to time be notified by a Member or affiliate Society of an erroneous distribution payment. If AMCOS is notified of an incorrect payment by a Member or by an affiliate Society within 3 years of the date of the distribution AMCOS will correct the erroneous payment by means of adjustment, provided that;

- i. The adjustment will be processed if the amount to be adjusted is \$20 or more.
- ii. The party who received the overpayment is the party to whom the debit is applied, subject to the “Exceptional Cases” clause below.
- iii. When debit adjustments greater than \$500 are to be applied, the member is contacted and advised of the adjustment prior to it taking effect.
- iv. Exceptional Cases: where a significant debit is due to be applied and there has been a change in control of the related work(s), the previous and current right holder(s) will be consulted and the debit will ultimately be apportioned at the discretion of the AMCOS Board.
- v. When credit adjustments are to be applied, the party who is the current right holder is the party to whom a credit is applied, unless the agreement with the previous right holder has terminated and a current collection period is in place.

28.2 In practice, clauses iii) and iv) above work in tandem such that prior to any adjustment greater than \$500 being made, publishers are advised. This being the case, if there has been a change in control of the related work(s), publishers may then seek further consultation according to clause iv) above.

32. Advances

32.1 In this Rule:

- (a) “Administered Works” means works controlled by an unrelated third party that is a member of AMCOS, which are the subject of an administration agreement between that member and the Eligible Member that has been notified to AMCOS;
- (b) “Advance” means an amount that is the Eligible Member’s Share of the Forecast New Media Revenue.
- (c) “Advance Agreement” means an agreement between an Eligible Member and AMCOS setting out the conditions of the Advance, in a form approved by the Board from time to time.
- (d) “Eligible Member” means a Member approved by the AMCOS Board who has received from AMCOS at least \$250 in earnings from the Services for each of the last 8 distributions at the time of calculating the Advance, in respect of works controlled or administered by it, and if that Member has previously received an Advance, has either fully recouped that Advance or is reasonably projected to recoup that previous Advance within the next 12 month period.
- (e) “Eligible Member’s Share” means, in relation to an Eligible Member, the percentage of Forecast New Media Revenue that AMCOS reasonably projects the Member will be allocated in the 12 month period commencing on 1 January 2017, and for each 12 month period commencing on each 1 January thereafter, in respect of works controlled or administered by it.
- (f) “Forecast New Media Revenue” means 80% of the revenue forecast by AMCOS in its management accounts to be earned from the Services in the 12 month period commencing on 1

January 2014, and for each Advance period approved by the Board thereafter.

- (g) “Services” means on demand or partially on demand music streaming services whether funded by subscription revenue and/or advertising revenue, excluding any services as may be determined by the Board from time to time.

- 32.2 If the Board determines that a Member is an Eligible Member, AMCOS will pay an Advance to that Eligible Member on execution of the Advance Agreement.
- 32.3 The Advance will be recoupable against earnings allocated to works controlled by the Eligible Member or its related companies, including Administered Works, in respect of the exploitation of those works on the Services.
- 32.4 Any unrecouped amount of the Advance must be repaid immediately on the earlier of resignation from AMCOS by the Eligible Member, the withdrawal of any of the rights controlled by it from AMCOS for any or all of the Services, or, subject to Rule 29.5, within such period as may be approved by the AMCOS Board after the date of the Advance.
- 32.5 AMCOS may in its sole discretion offer the Member a further advance to supplement or replace, or extend the date for repayment of, the Advance.
- 32.6 Remittance advices showing recoupment will be issued to Eligible Members in the usual course of distribution.
- 32.7 Each member’s status as an Eligible Member will be reviewed at the end of each successive Advance period.

33. GST

- 33.1 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.
- 33.2 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.