

Services provided by AMCOS to members

Services

This information sheet sets out:

- The criteria you need to meet to become a member of AMCOS
- The rights AMCOS will administer on your behalf if you choose to become a direct writer member of AMCOS
- The exceptions that you can exercise as a writer member of AMCOS
- The cost of your AMCOS membership (AMCOS 'commission rates') and AMCOS' accounting policy.

To become an AMCOS member you must:

1. Meet the eligibility criteria outlined in Section 1 of this document.
2. Complete the Application Form and sign and date the Exclusive Licence Agreement included in this information pack.
3. Return your completed form and agreement to AMCOS at the following address:

Att: Petrina George
APRA | AMCOS
PO Box 6315
Wellesley Street
Auckland 1141

Need more information?

If you have any questions or concerns, please call Petrina George on 0800 69 2772 ext 717 or email pgeorge@apra.com.au.

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Section 1: Eligibility for Membership

As a writer, you are eligible for membership if you meet three criteria:

1. you are a copyright owner of musical works
2. at least one of your works has been released on record for sale to the public or has been reproduced on a production music recording. (The AMCOS Board reserves the right to be supplied with evidence of such release or recording.)
3. you are a permanent resident or citizen of Australia or New Zealand.

Section 2: Principal Rights Administered by AMCOS ("The Mandate")

AMCOS administers four principal rights on behalf of its members:

1. **Mechanical** right
2. **Digital** downloads
3. **Audio visual reproduction** right
4. Reproductions into television programs and for the purposes of **communication to the public**

1. Mechanical Right

This is the right to reproduce musical works on record (CD or other audio format) for sale to the public.

In New Zealand the industry standard mechanical royalty rate is 8% of "published price to dealer" ("PPD").

As an AMCOS member you may appoint AMCOS to claim and collect mechanical royalties:

- (i) from the "**major**" record companies operating in Aust/NZ – ie, those referred to as "Schedule 2 record companies"; (i.e. BMG-Sony, EMI, Festival [in Australia], Reader's Digest, Universal and Warners)
- (ii) from **all other** record companies operating in Aust/NZ; or
- (iii) from **all** record companies operating in Aust/ NZ - ie, those in both categories (i) and (ii).

Whichever option you choose, it will be subject to the "*Exceptions from Mandate*" referred to in Section 4 of this document.

In addition to recordings made for sale to the general public, a significant number of businesses make recordings for specialist purposes such as providing background music for retail premises or fitness classes. This kind of usage also comes within AMCOS' mechanical right mandate.

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2. Digital Downloads

The mechanical right is also exercised when a recorded song is sold online (through a service such as Big Pond Music in Australia or Digirama in New Zealand).

By industry agreement the current interim mechanical royalty rate for digital downloads is the statutory mechanical rate of 6.25% of retail price (through a service such as Big Pond Music in Australia or Digirama in New Zealand).

An additional of 1.75% of retail price is payable for the transmission of the work to consumers. So, the overall interim royalty rate applicable to downloads is 8% of retail price.

3. Audio-Visual Reproduction Right

This right parallels the mechanical right, but applies to audio-visual formats such as video-cassette and DVD. The right is not subject to any statutory licence.

Again, you may choose to have AMCOS claim and collect audio-visual royalties from all distributors in Aust/NZ or only from the "majors" (ie, Schedule 2 record companies) or only from the non-majors.

In addition, there are miscellaneous audio-visual reproductions, such as wedding videos, which fall within this area of AMCOS' mandate.

4. Reproductions into Television Programs and for the purposes of Communication to the Public:

This right includes the right to reproduce pre-existing works into television programs, for web-casts or as mobile-phone ring-tones.

You can decide the extent to which AMCOS will administer this area for you.

AMCOS issues blanket licences to television stations to include pre-existing music in programs which the stations produce, but such licences never cover music specially commissioned by the station. You may choose to give AMCOS a mandate to cover the use of your pre-existing music in programs made by independent (ie, non-station) programs or you may choose to license such programs yourself.

Similarly, you may choose to give AMCOS a mandate to cover the use of your songs as Mobile Phone Ring-Tones and/or in other communications services (eg, web-based reproductions such as webcasts or on-demand music video services).

Section 3: Exceptions from the Mandate

The rights administered by AMCOS under its mandate are built around what is necessary and convenient for both copyright owners and users. But, of course, there are situations where individual owners and users may conveniently

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deal directly with each other and where there is consequently no need for the collection and distribution facility provided by AMCOS.

In these cases, AMCOS offers members the option to exercise the following three types of exceptions from the mandate:

1. standing exceptions
2. opt out, and
3. licence back.

1. Standing Exceptions

Unless you specifically authorise AMCOS to do so, AMCOS will not administer:

- the licensing of musical works into **advertisements** (except where a musical work forms part of a production music library);
- the licensing of musical works into sound recordings or other reproductions which are "**premiums**", ie, sold other than for money (eg, through the redemption of coupons or labels) or by someone not normally in the business of selling records, or as part of an advertising or product promotion campaign;
- the licensing of **synchronization rights** for incorporation of music into the sound-track of a **cinema film**.

2. Opt Out

A member may "**opt out**" or exclude from the mandate any of the major areas of AMCOS' licensing activities (except for blanket licences issued to television stations for their in-house productions).

A member can opt out either at the time of becoming a member or upon three months' notice at any later time. **Any opt out you choose will apply to all of your works.**

3. Licence Back

Even in those areas where a member has given AMCOS the mandate to license, he or she may, subject to certain formalities, obtain back from AMCOS the right to self-license any usage falling within AMCOS' mandate. This **licence back** regime applies on a work by work basis and is similar to the procedure available to APRA members.

Section 4: Additional Rights Administered by AMCOS

In addition to the four principal areas covered by the AMCOS mandate (outlined in Section 2), the Society also:

- conducts audits of record companies' mechanical royalty accounts and claims, receives and distributes to the correct copyright owners any money

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found to be held in those companies' unidentified or "control" accounts;

- may receive and distribute to the correct copyright owners any mechanical royalties payable by record companies where:
 - ownership is in dispute and
 - AMCOS represents all disputing parties;
- licenses the photo-copying of musical works in educational institutions;
- licenses all uses of musical works and sound recordings which form production music libraries (in respect to which a separate guide is available from the Production Music Department of APRA);
- collects and distributes any mechanical royalties flowing from private copying royalty or levy schemes;
- administers any non-print reproduction right falling outside the standing mandate that a member wishes and gives AMCOS a specific mandate to administer.

Section 5: Commission Rates and Accounting

AMCOS accounts to members on a quarterly basis, and distributions are made within 60 days from the end of each calendar quarter.

AMCOS' mandate and accounting is subject to the terms of any publishing contract by which a member is bound. Accordingly, AMCOS will normally account to the publisher for 100% of royalties accruing, in respect of any work which is the subject of a publishing contract.

The maximum commission rates charged by AMCOS are set out in the table below.

	maximum commission
Members with less than 500 but at least one work reproduced as a sound recording to the public	17.5% standard
Members with more than 500 works reproduced as a sound recording to the public	12%
Television program licensing Ringtones & other comms services Royalties from photocopying Off-air copying by schools	12% standard for all members

At present AMCOS does not charge an administration fee. An annual administration fee may be fixed by the Board if it becomes necessary at a later date. However, members would be advised of this, if it happens, well in advance.