

INFORMATION ABOUT RECENT SETTLEMENT IN THE CATEGORIES U, M AND UD FOR THE BUSINESS YEAR 2017

Notice: Explanations for the terminology can be found at point 4, glossary.

Information about distribution for the business year 2017 of April 1st, 2018.

We are asked frequently why work usages are not included in the documents of the distribution. Therefore we want to list the conditions which must be fulfilled for a distribution of work usage as of April 1st:

1. The event where in the work usage occurs has to be registered on time at GEMA.
2. The event organizer has to pay the amount invoiced by GEMA on time.
3. The event organizer has to submit the setlist to GEMA on time. Please use our online service on <https://www.gema.de/en/musikurheber/online-services-for-gema-members/playlists-online>
4. The information of the setlist must be complete.
5. Your work must be registered at GEMA on time. Please use our online service at <https://www.gema.de/en/musikurheber/online-services-for-gema-members/works-registration/>

You can complain about the probably missing work usages in your detailed distribution information within three months (category U, UD, M) and twelve months (category E, ED, EM, BM) after the distribution date. Information on necessary data for the submission of a claim and the complaints form can be found on <https://www.gema.de/en/musikurheber/royalties/pay-outs-distribution-of-domestic-income/>. If all requirements are present after verifying the complaint, the claim can be distributed on one of the next scheduled distribution dates, potentially at the additional distribution date on November 01st, 2018.

1. Settlement procedure INKA – summary

The procedure INKA denotes the **GEMA-encashment-related accounting** in the **categories U, UD and M**. However, the process incorporates the GEMA-revenues for each performance and breaks them down into 12 segments, which are graded to revenues per performance:

Segment	Encashment	
1	Encashment from licence agreements where a correlation between encashment and performance cannot be conducted, e.g. in the category of standard rate U. up to Euro 50,--	<p>Up to and including segment 8 an independent point value accounting for each segment will be applied. The segments 9 - 12 will be handled through a encashment-related accounting, yet still within category U.</p> <p>Performances presenting an opening and main program will be determined by the total amount of GEMA-encashment in which segment the settlement will be categorized. The proportions are as follows: 10 % of the encashment are dispensed to the opening program, 90 % are disbursed to the main program, cf. § 87 scheme of distribution.</p> <p>The accurateness which is achieved through the 12 accounting segments makes the complex statistic extrapolation process for the evaluation of actual performances unnecessary. GEMA-revenues received for performances where no setlists are attached will be distributed straight proportional to available reports. In the segments 1 - 8 this takes place through a linear extrapolation of the reported numbers of performances per work. From segment 9 on, a percentaged addition will be segmentally distributed to those ascertained performances.</p>
3	Euro 50,01 to 100,--	
4	Euro 100,01 to 150,--	
5	Euro 150,01 to 200,--	
6	Euro 200,01 to 250,--	
7	Euro 250,01 to 350,--	
8	Euro 350,01 to 500,--	
9	Euro 500,01 to 1.000,--	
10	Euro 1.000,01 to 5.000,--	
11	Euro 5.000,01 to 10.000,--	
12	over Euro 10.000,--	

This addition is calculated by dividing the encashment per segment, for which no setlists are attached, with the total encashment of each segment.

The accounting in **category M** is carried out in the segments 1 - 8 by multiplying a **standard point value** with the number of determined performances in category U.

Defined caps are preventing disproportional payouts. On one hand the cap is connected to the radio disbursement. On the other hand it is limited to the double height of the revenue per track received in category U. For segments 9 -12 a surcharge of 20 % will be added to the total amount distributed.

You can find the detailed rules and standards for the distribution in the category U especially in §§ 82 ff. and §§ 127 ff. – Regulations of the scheme of distribution for stage- and broadcasting rights.

2. Standard point- and factor-chart for the business year 2017

	Point value in EUR (PW)	Program coverage in % (PA)	Addition for the encashment without setlist in % (NPA)	Addition for unallocated royalties in % (AZ)	Total value of one performance per track, no quantification, BEW 001 (EUR)
Segment 1	0,1097	----	----	2,97	1,32
Segment 2	0,0590	49,33	----	4,95	1,44
Segment 3	0,1290	54,16	----	4,36	2,86
Segment 4	0,1982	58,58	----	4,03	4,06
Segment 5	0,2737	59,43	----	3,89	5,53
Segment 6	0,3262	59,67	----	3,46	6,56
Segment 7	0,3949	63,30	----	3,49	7,49
Segment 8	0,5149	65,78	----	3,33	9,39
Segment 9	----	71,05	28,95	1,74	----
Segment 10	----	76,07	23,93	1,78	----
Segment 11	----	83,54	16,46	1,49	----
Segment 12	----	97,17	2,83	1,72	----
Category M	0,0994	----	----	4,19	----

Further info about the new settlement procedure can be found under www.gema.de.

In case there are further questions please send them by mail to as-service@gema.de.

3. Example of calculation

Example A: Performance with 20 performed tracks and an encashment of € 225. Performance is classified in segment 6:

	Quantified performances (real performances, if applicable incl. quantification)	Program coverage, PA (%) in segment 6	Standard rating	Standard point value PW (EUR) in segment 6 - in Category U (seg. 6) - in Category M (seg. 1-8)	Result
Category U	20	59,67	12	0,3262	
Calculation	20 x 100/59,67 x 12 points x 0,3262 EUR =				131,20 EUR
Category M	20	59,67	12	0,0994	
Calculation	20 x 100/59,67 x 12 points x 0,0994 EUR =				39,98 EUR
Total amount payable in category U, segment 6 and category M: 131,20 EUR + 39,98 EUR =					171,18 EUR

Example B: Performance with an encashment of 1.500 €. The performance will be allocated in segment 10:

	Encashment (EUR)	Cast rate (%)	Deduction for social and cultural purposes (%)	Addition for encashment without programs, NPA (%) in segment 10	Program Coverage, PA (%) in segment 10	Result per performance
Category U	1.500,00	22,5065	10	23,93	76,07	
Net encashment	1.500,00 EUR – 22,5065 % = 1.162,40 EUR – 10 % =					1.046,16 EUR
Addition	1.046,16 EUR x 23,93 / 76,07 =					329,10 EUR
Amount payable in the category U, segment 10				1.046,16 EUR + 329,10 EUR =		1.375,26 EUR
	Amount payable in the category U		Addition (%)		Result per performance	
Category M	1.375,26 EUR		20			
Calculation	1.375,26 EUR x 20 % =					275,05 EUR
Total amount payable in category U, segment 10 and category M				1.375,26 EUR + 275,05 EUR =		1.650,31 EUR

4. Glossary

ANTEIL (share)

This column shows what share is of the work, to which the beneficiary of the itemized list has to be shared (in each case “share of 12”).

AZ (addition for unallocated royalties)

According to § 28 Abs. 3 scheme of distribution, only extraordinary and affiliated members receive an outage addition. This is about a percentage addition to the accounting, which assembles from the sum of all shares, which are not distributable because they are free or not represented.

BEW (valuation key)

This is the so called valuation key, which is used for a work, respectively a work amendment, according to § 64 scheme of distribution. The key reflects so called point values, which ensue from the rules of the scheme of distribution like e.g. the uprating for works for a big orchestra according to § 64 number 4 scheme of distribution. Corresponding upratings have to be requested by the beneficiary to GEMA. You can gather the amount of points, which correspond to the respective key, from the GEMA annual book 2017/2018, S. 421 ff.

A “F” behind the declaration BEW means, that the work has been accounted as a so called work fragment, with a third of the stated numbers of performances in the programs. The rules to this can be found in § 85 section 4 scheme of distribution (GEMA annual book 2017/2018, p. 376).

GEW. AUFF. (weighted performances)

The scheme of distribution allots different tariff-, performance- or work-related factors. The multiplication with these factors leads to so called “weighted performances”. Possible weighting factors are:

- § 88 (g) scheme of distribution
- § 85 section 2 scheme of distribution
- § 85 section 4 scheme of distribution

HOCHGER. AUFF. (extrapolated performances)

On the base of declarations, how high the share for those performances are, which the GEMA has licensed, but not received a program, in segment 2 - 8 occurs a linear extrapolation in every segment for the reported number of performances and, when indicated, already weighted performances. Due to the flat-rate license in segment 1, it is not possible to calculate program coverage per performance.

KAPP-SATZ (cutoff rate)

In category M occurs a cutoff, when more than 100 real performances are available for a work, but not at least two weighted minutes, according to the special part of the scheme of distribution chapter 3 in category R or FS in the actual or preceded fiscal year, have been accounted. For this purpose a cutoff rate is determined, which specifies the capped height of the percentage share of real performances from segment 1 - 8.

NPA (addition for encashment without programs)

In the segments 9 - 12, in each case an addition to the direct accounting sum is distributed. For this, the share of the encashment for an accounting year is calculated, for what GEMA received no program for accounting. The percentage share will be accounted as addition to the direct accounting sum. The distributed amount in category U already contains this addition, see the amount (EUR-BETR) on the itemized list.

PA (program coverage)

In the segments 2 - 8, in each case the share of licensed performances is calculated, for what GEMA received programs for accounting in the actual accounting year. In segment 1, no program coverage rate can be calculated, since accumulative licenses for an arbitrary number of single performances are allotted here. In these cases it is impossible to fix the height of those performances, for what actual programs for the accounting have been submitted.

PW (point values)

For the single segments 1 - 8 in category U as well as for the segments 1 - 8 overall in category M, a so called point value will be calculated. It results from the division of the overall distributed sum per segment (in each case the segments 1 - 8 in category U) respectively for the segments 1 - 8 collectively (concerning the category M) and the total number per segment respectively accounting points in category M. The amount of the points per segment respectively collective segment (category M) is calculated by multiplication of extrapolated performances with the factor of the valuation of the particular work amendment according to § 64 allocation key II. When you multiply the total of points of every work with the point value, you obtain the distribution sum of a work per segment in category U respectively for the segments 1 - 8 in category M.

REALE AUFF (actual performances)

For the accounting, the actual performances, submitted via programs / setlists, are covered as work use. These are displayed segmental for category U. In category M, the uses are displayed accumulate in segments 1 - 8 and segmental in segments 9 - 12. As far the uses have been accounted in category UD, these are also displayed accumulate.

SUMME PRO SEGMENT

At the end of an itemization, in this column you can find the total sums per segment in category U as well as the sum for the segments 1 - 8 in category M and in each case particular for the segments 9 - 12 (as 20 % addition). Also, here you can find the sum of the outage addition in particular.

Z (20 % addition)

The distribution in category M for the segments 9 - 12 occurs with the addition of the distribution sum in category U (direct accounting incl. addition for not program-covered encashment revenues) and a 20 % addition for this sum. The accountings in category UD (single net accounting) receive, according to the rules of the scheme of distribution, also partially a 20 % addition to the accounting result in category M. This addition is marked in the itemized list with a "Z" in the beginning of a line.

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