

BROADCAST DISTRIBUTION

GEMA Information regarding Television Distribution

1. CURRENT RULES OF BROADCAST DISTRIBUTION

Broadcast distribution in the **area of television** includes:

- a) Minute values specific to television
 - b) Appropriate crediting of the miscellaneous television inflows
 - c) Variable broadcaster coefficients for all programmes in television
- a) Minute values:** The broadcast distribution assumes a separation of amounts available for distribution, and hence a separation of the minute values for radio and television. Therefore, there are separate minute values for the broadcasting right and mechanical right for radio (categories R for broadcasting right and R VR for mechanical right) and for television (categories FS and T FS for the broadcasting right and categories FS VR and T FS VR for the mechanical right). Thereby, the AR (broadcasting right) and VR (mechanical right) ratios are taken into consideration, which were determined in the breakdown of the broadcasters' collection.
- b) Appropriate crediting of miscellaneous television inflows:** The separation of amounts available for distribution duly divides the miscellaneous broadcast distribution inflows, into the areas of radio and television depending on their origin in audio and/or video uses. Examples for the television include (each in relation to the shares to be distributed in the broadcasting sector):
- Revenue from playback to the public of television broadcasts and audio-visual carriers
 - Revenue from cable retransmission of television broadcasts
- In accordance with § 110 of the distribution plan, revenue from statutory royalty claims are being distributed separately as percentage surcharge. This includes, e.g.:
- Video share of revenue from private copying (ZPÜ, Central Organisation for Private Copying Rights)
- c) Variable broadcaster coefficients:** Separate variable broadcaster coefficients for AR (categories FS and T FS broadcasting right) and VR (categories FS VR and T FS VR mechanical right) have been set for each full public and private television broadcaster. The variable broadcaster coefficients will be calculated anew for each business year by dividing the applicable net amount from the broadcasters' collection and the proportional revenue from cable retransmission by the number of minutes established in each case. Those separate broadcaster coefficients are taken as a basis for the calculation of the minute values in television in AR and VR, and for the distribution to the right holders.

Instead of the uniform allocation of the broadcaster collection, which was taken place until financial year 2015, the allocation of the broadcaster collection to AR (broadcasting rights) and VR (mechanical rights) in the area of television is now happening by a differentiated allocation depending on the respective proportion of own and commissioned productions as well as third-party productions. The proportion of minutes per broadcaster, which were attributable to productions in the broadcast

distribution of the respective previous year and for which GEMA grants broadcasters the synchronisation right (category FS*), are being determined.

For programmes with a high proportion of own and commissioned productions the current AR/VR ratio until financial year keeps remaining (segment 1).

For programmes with a high proportion of third-party productions a smaller VR proportion is being taking as a basis (segment 2 and 3).

* Without advertising according to §1k of the deed of assignment, as GEMA therefore does not grant broadcasters the synchronisation rights.

Segment	FS proportion	AR/VR ratio
1	100 – 66,67%	2 : 1
2	66,66 – 33,33%	2 : 2/3
3	33,32 – 0%	2 : 1/3

Separate variable broadcaster coefficients for AR and VR have been set for each full public and private television programme in accordance with the segmentation.

2. INFORMATION ON FILM AND TELEVISION DISTRIBUTION IN THE CATEGORIES FS, FS VR, T FS, T FS VR, T AND TD, TD VR

Music usages in film and television are distributed annually on 1 July for the period of 1 January – 31 December of the previous year.

When crediting music usages in television, a distinction must be made between the broadcasters' own and commissioned productions for own broadcast purposes and rebroadcasts on the one hand – categories **FS** and **FS VR** (television / television mechanical right) – and “third-party and co-productions” on the other hand – categories **T FS** and **T FS VR** (sound film in television / soundfilm in television mechanical right).

Revenues from film screenings – especially from the playback of music in film screenings in cinemas – are credited in category **T** (sound film).

Revenues from company films and audio-visual presentations are credited in the categories **TD** and **TD VR** (sound film – direct crediting / soundfilm – direct crediting mechanical right).

2. 1. Distribution television (categories FS/FS VR)

Broadcasts of music in **own and commissioned** productions are credited in the categories **FS** (broadcasting right) and **FS VR** (mechanical right).

Own and commissioned productions are productions that are made directly by a GEMA-licensed broadcasting company or commissioned by a GEMA-licensed broadcasting company.

Broadcaster self-advertising is also credited in the categories **FS / FS VR**, as this involves own or commissioned productions of broadcasters for their own broadcasting ends. Broadcaster self-advertising encompasses all forms of television advertising

that television broadcasters make themselves or on commission, in order to advertise themselves or their programming (e.g. trailers).

In this case, GEMA grants broadcasters the broadcasting and reproduction rights requisite for executing broadcasts, but not the synchronisation right, as this is a matter of advertising. According to §§113 section 1, this must be taken into consideration in crediting for the mechanical right with 1/10. Exception applies only, if own or commissioned production is being advertised by a trailer, in which commissioned music is being used from the advertised production, then distribution will be made to 100 % in category FS VR (mechanical right), as GEMA grants the synchronisation right for such trailer usages, according to §1i section 2 of the deed of assignment.

According to §105 to §109, the amount of royalties distributed for transmitting a musical work in television is dependent upon the following factors:

- Broadcast duration (in minutes and seconds)
- Broadcaster coefficient
- Television coefficient
- Minute value
- Point valuation (§63, §64, §65)
- Right holder's shares in the work

2.1.1 Formula (own and commissioned television production)

The **calculation formula for own and commissioned productions** in television is:

$$\begin{aligned} & (\text{Broadcast minutes} \times \text{broadcaster coefficient AR} \times \text{television coefficient} \times \text{minute value AR} \times \text{factor} \\ & \quad \text{according to point valuation AR})^1 \\ & + \\ & (\text{Broadcast minutes} \times \text{broadcaster coefficient VR} \times \text{television coefficient} \times \text{minute value VR}) \\ & = \text{Distribution sum per work (24/24 in AR / 100\% in VR) for all entitled parties in EUROS} \end{aligned}$$

*1 The General Assembly 2014 decided that from 01.01.2015 on, **0.4 percent** each of the composers' arising revenues in categories R, FS and M will be allocated to the finance of the arrangers' valuation procedure.*

For business year 2017 the minute value for category FS AR is EURO 2.2435 and for category FS VR the minute value is EURO 1.0057.

2.1.2. Television coefficients for FS/FS VR (distribution plan § 107)

The following coefficients apply to music in own and commissioned productions:

Music for videotext programmes receives coefficient 0.1.

Coefficient 1 applies to music in **serial programmes or series transmitted on a regular basis** – i.e. on at least five consecutive days or once weekly in seven consecutive weeks – as follows:

- **Opening and closing music***
- **Miscellaneous illustrative music** (except opening and closing music), that is utilised
 - recurrently to identify or underscore **standardised format elements**, or
 - in serial programmes or series with moving or non-moving images, **largely absent of spoken text.****

Music utilised in **serial programmes and series transmitted daily** – i.e. as a general rule on five days per week and in multiple weeks of a year – and not credited in line with the above provisions with coefficient 1 will be subject to coefficient 2.

Broadcaster self-advertising receives coefficient 2.*

Performed music (live or playback performance) is subject to coefficient 6.

Miscellaneous music in own and commissioned productions (e.g. **illustrative music in films or irregularly transmitted serial programmes or series**) is subject to coefficient 3.

* A cap to one-third is applied in cases involving more than 5,000 weighted minutes, and to one-tenth in cases involving more than 10,000 weighted minutes.

** A cap to one-sixth is applied in cases involving more than 5,000 weighted minutes, and to one-tenth in cases involving more than 10,000 weighted minutes.

2. 2 Distribution sound film in television (T FS/T FS VR)

Third-party and co-productions (including product advertising) are credited in category T FS. These are “bought-in” productions, also known as licensed productions. GEMA does not grant a synchronisation right to broadcasting companies for productions of this nature. This must be accounted for in mechanical right crediting.

According to §105 to §109, the amount of royalties distributed for broadcasting a musical work for sound film in television is dependent upon the following factors:

- Number of broadcasts of the production
- Music seconds of the work (according to “Notification for audio-visual production”)
- Broadcaster coefficient
- Television coefficient
- Music seconds value (this value is derived from the minute value for television broadcast, and therefore identical to it.)
- Right holder’s shares in the work

When crediting the mechanical right, account must be taken of the fact that GEMA does not grant the synchronisation right to broadcasting companies for third-party and co-productions. Thus, in the category T FS VR crediting is at one-tenth according to §113. This means that 10% of the weighted broadcast seconds credited in category T FS for the performing right is used as the foundation for crediting in category T FS VR.

2. 2. 1 Formula (sound film in television)

The calculation formula for sound film in television is:

$$\frac{\text{No. of broadcast} \times \text{music seconds} \times \text{broadcaster coefficient AR} \times \text{television coefficient} \times \text{music seconds value AR}}{1000 \text{ seconds}} + \frac{\text{No. of broadcasts} \times \text{music seconds} \times 1/10 \times \text{broadcaster coefficient VR} \times \text{television coefficient} \times \text{music seconds value VR}}{1000 \text{ seconds}}$$

=Distribution sum per work (12/12 in AR/100% in VR) for all entitled parties in EUROS

For business year 2017 the music seconds value for category TFS AR is EURO 37.3916 per 1000 seconds and for category TFS VR the music seconds value is EURO 16.7616 per 1000 seconds.

2.2.2 Television coefficients for T FS/T FS VR (distribution plan § 107)

The following coefficients apply to music in third-party productions:

- Music in **serial programmes or series** transmitted **daily** – i.e. in general, on five days per week and in multiple weeks of a year – will be subject to coefficient 1.25.
- **Miscellaneous music** in third-party productions (e.g. illustrative music for films, video clips, etc.) will be subject to coefficient 2.
- **Music for advertising spots and miscellaneous commercials** will also be subject to coefficient 2.*

* A cap to one-third is applied in cases involving more than 5,000 weighted minutes, and to one-tenth in cases involving more than 10,000 weighted minutes.

2.3. Distribution T – sound film

Distributions for cinematographic films and advertising in cinemas is based on the number of screenings reported by movie theatres or, where applicable, by third parties. That figure is multiplied by the music seconds of the work subject to crediting. The resulting sum is multiplied by the corresponding seconds value of the business year for which accounting is being performed.

The calculation formula is:

$$\frac{\text{Number of screenings} \times \text{music seconds} \times \text{music seconds value}}{1000 \text{ seconds}}$$

=12/12 (100%) for all entitled parties in EUROS

For business year 2017 the music seconds value for category T is EURO 0.1605 per 1000 seconds.

2.4. Sound film direct crediting for music in company films, audio-visual presentations (TD/TD VR)

Licensing according to tariff T-W-AV (direct crediting)

Utilisation of audio-visual productions that are company films in nature, screened publicly and free of charge is licensed pursuant to the royalty rates set forth in Rates Schedule T-W-AV. If licensing was in accordance with Rates Schedule T-W-AV, then there will be one-time production-based direct crediting to the entitled parties.

2/3 of the aggregate amount available is credited for the broadcasting right (TD-AR), and 1/3 is credited for the mechanical reproduction right and the synchronisation right in the production (TD-VR).

Prior to distribution for the performing right, the standard cost rate for the performing and broadcasting right is subtracted from the aggregate amount, together with a further 10% for social and cultural purposes.

Prior to distribution for the reproduction right, a commission of 20% is deducted from the total amount.

3. EXCEPTION TO THE DISTRIBUTION BASED ON USAGE REPORTS

Revenue from the categories R, FS, TFS and T is generally paid out based on programme crediting to the GEMA beneficiaries and to the foreign societies having a contractual relationship with GEMA.

In radio and television, broadcasters' revenue will not be credited on a basis of usage reports below a certain limit. The limit, fixed by the Board of Supervisors, for the respective field (§94) is taking proportionate revenue from cable retransmission and distribution of collections pursuant to §92 section1 into account.

This limit is EUR 90,000 for radio broadcasters and EUR 204,000 for television broadcasters.

4. REQUEST FOR CREDITING

Broadcaster revenue below the fixed limit (§94) is distributed as a supplement to the distribution sums in the categories of radio and television. If in one business year individual works of a right holder are used exclusively or predominantly (measured in actual minutes broadcast) in radio and television programmes that have not been credited by programme due to negligible collection, then the right holder will still be able to request crediting pursuant to §94. If the request is justified, then the right holder will receive the royalties for the uses not credited by programme with the distribution following his request. The distribution sum is calculated on the basis of the actual scope of music used in relation to the respective collection. If the right holder has received a distribution for the respective business year in the categories of radio and/or television, then the amount to be paid will be reduced by the supplement contained in that statement for broadcasters not credited by programme.

The request for crediting must be filed within six months of the respective accounting deadline and include verifiable information regarding work title, entitled parties, broadcasters and broadcasting station, title of broadcast, broadcast dates and broadcasting time of the work. The request can furthermore only be considered if the respective broadcaster confirms this information to GEMA and a minimum amount of at least EUR 5.00 per work can be expected from crediting.

5. GRAND RIGHT DISTRIBUTION

GEMA grants rights for usages of dramatico-musical works in the field of the so-called "Grand Right" only to a very limited extent, e.g. right of communication according to § 1 with c, e and g of the deed of assignment. According to distribution plan § 110, the distribution for those works is made by using a proportionate minute value. For business year 2017 the minute value for category FS GR is EURO 0.5233.

Stage publishers have so far committed themselves to a distribution according to the stage publisher contract. So far, distribution was made 100 % to the stage publisher.

The revision which was applied by the General Assembly 2017 promotes simplification of the previous methods of registration, documentation, and distribution. From business year 2017 on the new rules are taken into account, so that distribution will be carried out to all of the music work's participants.

New registration for works which have been already registered is not required. Existing registrations of the "small rights" are used for the distribution. Additional registration of dramatico-musical works is not required.

ANNEX

Broadcaster coefficients in television for the business years 2016 and 2017

BROADCASTER COEFFICIENTS IN TELEVISION FOR THE BUSINESS YEARS 2016 AND 2017

List of the television broadcasters subject to crediting by programme pursuant to the Implementation Rules of the GEMA distribution plan for the performing and broadcasting right, §108 and §109, § 111, §112 and § 113.

Updated: July 2018

Ser. No.	Television broadcaste	business year 2016 AR ¹	business year 2016 VR ¹	business year 2017 AR ¹	business year 2017 VR ¹
1	13th Street	0,2199	0,7455	0,2150	0,7566
2	3sat	1,0963	1,3083	0,9574	1,0907
3	A & E Networks	0,0754	0,2086	0,0470	0,0638
4	Animal Planet	0,0213	0,0647	0,0240	0,0732
5	ARD – Das Erste ²	15,0859	19,9010	15,2389	20,0966
6	ARD Alpha (ehem. BR Alpha)	0,2292	0,1423	0,1998	0,1321
7	ARTE	7,8412	6,3887	5,7836	8,9886
8	Bayerischer Rundfunk (BR)	2,4339	2,8719	1,8894	2,2516
9	Bibel TV	0,2925	0,1290	0,2104	0,1103
10	Boomerang	0,0797	0,1198	0,0366	0,0648
11	Cartoon Network	0,0844	0,3148	0,0540	0,2064
12	Deluxe Music	0,1050	0,0246	1,0880	0,3068
13	Deutsche Welle	0,5575	0,5656	0,5853	0,5928
14	Discovery Channel	0,1815	0,6767	0,1971	0,7536
15	Disney Channel	0,2753	0,8020	0,3229	0,9044
16	Disney Cinemagic	0,2146	0,8009	0,0961	0,3675
17	Disney Junior	0,1376	0,4477	0,1547	0,5905
18	Disney XD	0,0969	0,3123	0,0578	0,2209
19	DMAX	0,6515	1,2258	0,6452	1,4717
20	E! Entertainment	0,0148	0,0469	0,0315	0,1088
21	EinsPlus	0,0918	0,0600	0,0438	0,0302
22	FOX	0,2188	0,8134	0,2101	0,7525
23	Geo Television	0,0058	0,0169	0,0143	0,0368
24	Hessischer Rundfunk (HR)	1,1923	1,2840	1,2077	1,3638
25	History Channel	0,1036	0,1160	0,0759	0,0979
26	Home Shopping Europe (HSE24)	4,1771 ³	0,4860	-	-
27	Jukebox	0,0083	0,0112	0,0275	0,0482
28	Kabel Eins	2,6945	3,1526	2,5623	3,5003
29	Kabel Eins CLASSICS	0,0843	0,2787	0,0813	0,2400
30	Kabel Eins Doku	0,0039	0,0071	0,0081	0,0112
31	Kinderkanal	1,7370	1,9679	1,4689	1,9985
32	Mitteldeutscher Rundfunk (MDR)	1,9684	2,3244	1,8693	2,1790
33	N24	0,6801	1,5328	0,6471	0,8415
34	N24 Doku	0,0676	0,0027	0,2379	0,0225
35	National Geographic	0,1670	0,6173	0,1772	0,6685
36	National Geographic People	0,0188	0,0700	0,0199	0,0760

Ser. No.	Television broadcaste	business year 2016 AR ¹	business year 2016 VR ¹	business year 2017 AR ¹	business year 2017 VR ¹
37	National Geographic Wild	0,0513	0,0757	0,0842	0,1764
38	Norddeutscher Rundfunk (NDR)	3,5589	3,6945	3,4098	3,4825
39	n-tv	0,2658	0,2102	0,2799	0,2358
40	One (ehemals ARD EinsFestival)	0,1370	0,0916	0,1942	0,1208
41	Phoenix	0,4308	0,3674	0,4524	0,3665
42	ProSieben	5,3863	8,1211	5,2419	7,7936
43	ProSieben Fun	0,0427	0,0756	0,0338	0,0358
44	ProSieben Maxx	0,3182	0,3723	0,3612	0,3652
45	QVC	3,5657 ³	0,3368	-	-
46	RCK TV	0,0058	0,0106	0,0266	0,0466
47	Radio Bremen (RB)	5,5265 ³	5,4230 ³	4,7491 ³	4,7147 ³
48	Romance TV	-	-	0,1188	0,1391
49	RTL	9,3313	10,6640	8,4738	9,6119
50	RTL 2	2,8487	2,9092	2,1548	3,2130
51	RTL Crime	0,1538	0,1763	0,1330	0,1551
52	RTL Living	0,0753	0,0751	0,0581	0,0738
53	RTL Nitro	0,4638	0,4967	0,5134	0,5308
54	RTL Passion	0,0246	0,0311	0,0361	0,0354
55	RTL Plus	0,0364	0,0068	0,1291	0,0157
56	Rundfunk Berlin-Brandenburg (RBB)	1,1924	1,2997	1,1546	1,2201
57	Saarländischer Rundfunk (SR)	1,5360	1,5311	-	-
58	SAT.1	4,8330	6,2753	5,0407	7,1453
59	SAT.1 Emotions	0,0283	0,0300	0,0184	0,0264
60	SAT.1 Gold	0,2265	0,1492	0,3126	0,2524
61	SIXX	0,4692	0,5259	0,5500	0,7369
62	SKY 1	-	-	0,0611	0,0745
63	SKY 1+1	-	-	0,0611	0,0745
64	SKY 3D	0,3310	0,8942	0,3025	0,9943
65	SKY Action	0,3576	1,2129	0,2985	0,9982
66	SKY Arts	-	-	0,0843	0,1178
67	SKY Atlantic	0,5938	1,9879	0,5913	1,9668
68	SKY Atlantic +1	0,5013	0,8600	0,1749	0,5194
69	SKY Cinema	0,3314	0,9957	0,3347	1,2314
70	SKY Cinema +1	0,4333	1,3410	0,3464	1,2764
71	SKY Cinema +24	0,4325	1,3387	0,3462	1,2757
72	SKY Cinema Family	-	-	0,1809	0,2979
73	SKY Cinema Hits	0,3501	1,1883	0,3046	1,1208
74	SKY Comedy	0,3022	0,9958	0,2822	0,9338
75	SKY Emotion	0,3210	1,0488	0,3003	0,9901
76	SKY Krimi	0,2317	0,2474	0,2285	0,2783
77	SKY Nostalgie	0,3373	1,1097	0,3269	1,1889
78	SKY Sport 1	1,7270	5,9468 ³	1,2374	4,5424 ³

Ser. No.	Television broadcaste	business year 2016 AR ¹	business year 2016 VR ¹	business year 2017 AR ¹	business year 2017 VR ¹
79	SKY Sport 2	1,8117	6,2387 ³	1,3299	4,8820 ³
80	SKY Sport Austria	1,1861	3,9268 ³	1,3748	5,0469 ³
81	SKY Sport Bundesliga	1,1843	1,8823	1,2312	2,1923
82	SKY Sport News	1,3590	1,6960	2,2415	2,6293
83	Sport 1	0,5349	0,6804	0,6108	0,7934
84	Sport 1+	0,0267	0,0482	0,0284	0,0524
85	Sport 1 US	0,0290	0,0515	0,0342	0,0624
86	Südwestrundfunk (SWR)	2,6586	2,9552	-	-
87	Südwestrundfunk und Saarländischer Rundfunk (SWRSR3) ⁴	-	-	2,3995	2,7040
88	Super RTL	1,0111	1,7948	1,0224	1,7015
89	Syfy	0,3211	0,8059	0,2614	0,7875
90	tagesschau24	0,3464	0,1043	0,3884	0,1053
91	Tele 5	0,5375	1,3345	0,5774	1,4143
92	TLC TV	0,1053	0,0442	0,1611	0,0987
93	TNT Comedy (ab 01.06.2016)	0,1717	0,6377	0,1038	0,3286
94	TNT Film	0,0909	0,3392	0,0722	0,2759
95	TNT Glitz (bis 31.05.2016)	0,1717	0,6377	-	-
96	TNT Serie	0,1910	0,7127	0,2463	0,8562
97	Toggo Plus	0,0831	0,1077	0,2397	0,4259
98	Universal Channel	0,1241	0,4613	0,1646	0,6257
99	VOX	4,9065	4,4010	4,2811	4,2551
100	Westdeutscher Rundfunk (WDR)	3,2405	3,4776	3,1433	3,3041
101	ZDF	13,4293	20,1402	12,1518	16,5026
102	ZDF Info	0,1438	0,0996	0,1549	0,1099
103	ZDF Kultur	0,0656	0,0182	0,0348	0,0153
104	ZDF Neo	0,4525	0,3553	0,3934	0,4219

- 1 The following applies to the distributions from business year 2014 on: If several regional broadcasts are aired parallel on radio or television without making a separate debt collection for these programmes, the broadcasting time will be divided by the number of the parallel aired broadcasts.*
- 2 Broadcasts on ARD are supplied by various broadcasters. Here, the broadcaster coefficient of ARD applies.*
- 3 Comparatively high broadcaster coefficient despite relatively marginal collection due to low music usage.*
- 4 Due to the broadcaster structures of SWR and SR, both broadcasters are being licensed and distributed as a Community programme from 01.01.2017 on.*