

1. Who can license IMPEL repertoire from PRS for Music?

Any multi-territory online or mobile music service operating in Europe.

a. What is a multi-territory service? This is an online or mobile service whose activity spans more than one country. It could be a single service operated by one entity, or one service that is operated in local versions and/or by local subsidiaries under the auspices of a single entity. General entertainment on-demand video, catch-up TV, simulcast or broadcaster based services are excluded from this definition. However, on-demand video services are included if they are music based. *PRS for Music* maintains a list of specific multi-territory services requiring a multi-territory licence.

b. Who administers the multi-territory licences? *PRS for Music* issues and administers licences on behalf of IMPEL as their nominated agent.

2. What role do multi-territory music services play in Europe?

They can offer consumers in different countries access to the same music services, potentially launching across the whole region. As a result, the majority of European online and mobile royalties are generated by these multi-territory service providers.

3. How does IMPEL provide independent publishers access to the European market?

By licensing the multi-territory services directly via *PRS for Music*, independent publishers can directly influence the way in which the majority of their online and mobile royalties are generated. Previously, licences were issued by local societies in each local territory, with monies flowing back through sub-publishers, so independent publishers were sometimes two steps removed from the process.

PRS for Music has already concluded licensing deals with a number of the leading pan-European services including iTunes, Spotify and Amazon, into which IMPEL members' repertoire can be added.

4. How does the independent publisher have more transparency by licensing via IMPEL?

PRS for Music is leading the way in providing greater transparency for publishers regarding the source of their royalties. Often, monies flowing through the society network may only provide headline online and mobile figures, with no further detail. IMPEL statements are broken down;

- line by line
- territory by territory
- licensee by licensee
- separate mechanical and performance figures

5. What is meant by Anglo-American repertoire?

Terms like Anglo-American repertoire were historically a reference to the nationality of the composer and their local society. However, today's music creators can join any society they like, for example *PRS for Music* has many Bollywood songwriters and composers in its membership. Terms like Anglo-American, when related to repertoire, simply mean that one of the people who wrote or produced that body of music are members of one of the societies below:

- APRA
- ASCAP
- BMI
- IMRO
- PRS
- SAMRO
- SESAC
- SOCAN
- or is not a member of any society.

The writer's affiliation must be with an Anglo-American society as listed above, but the works themselves do not have to be English language.

PRS for Music's systems are able to handle works where only part of the work falls under this definition and so is able to collect royalties for the Anglo-American share of works that also have non-Anglo-American/BIEM repertoire.

6. What if I have writers who are not affiliated with one of the above societies?

Publishers cannot unilaterally withdraw mechanical rights from other societies if they do not have the consent of the writer. Their mechanical rights will remain with the local society and the local society will continue to license exploitation of these works for all categories of licensees, including multi-territory online and mobile music services. Royalties will continue to flow through the existing sub-publisher network/ direct membership as currently is the case.

7. How are the performing rights licensed alongside IMPEL's mechanical rights for multi-territory online and mobile music services?

PRS for Music licenses the matching Anglo-American performing rights to match IMPEL's mechanical rights, so licensees receive the complete rights package in a one stop shop.

8. What type of copyright information do I need to supply to IMPEL?

In order for *PRS for Music* to be able to accurately administer the licences, all of the works an independent publisher brings into IMPEL must be compliant with the transactional licensing process. This means that each publisher, in conjunction with *PRS for Music*, must go through a review of their sub-publishing agreements, administered

catalogues and specific exceptions to their standard arrangements. This generates an IMPEL mandate which then enables the systems to generate claims for royalties on the required share of work basis.

9. What do independent publishers have to do to join IMPEL?

There are three stages.

Firstly, the preparatory copyright mandate work needs to be completed as detailed above.

Secondly, publishers need to withdraw all of their mechanical rights in their online and mobile Anglo-American repertoire, as defined above, from their European sub-publishers or direct society membership.

Thirdly, publishers must sign an agency agreement, which appoints *PRS for Music* as its multi-territory agent. *PRS for Music* then directs the publishers' mechanical rights back into the local society network for inclusion in their national service licences. See below for more information on licensing national online and mobile music services.

10. Why do publishers need to fully withdraw their rights and not just withdraw for the services requiring a multi-territory licence?

A full withdrawal means a clean break from existing arrangements and therefore a clear date from which *PRS for Music* can include rights in their multi-territory licences. All other licensing bodies are then clear as to when the repertoire ceases to be licensed by them.

Selective withdrawal for specific services can lead to confusion as to who is licensing which repertoire and therefore duplicate claims can occur. This can lead to delays in all monies flowing from the service whilst disputes are settled.

11. Can *PRS for Music* advise publishers on how to rearrange their rights in Europe?

Without being party to the individual relationships between publishers and their European sub-publishers or other societies, *PRS for Music* is not in a position to advise on how to alter the agreements. Independent publishers are advised to seek independent legal advice to make sure that they are taking the correct action.

The Music Publishers Association (MPA) has made some related documents available to its members via its website. www.mpaonline.org.uk/members/IMPEL_resources.html

You can find more about the MPA, including information on becoming a member, at www.mpaonline.org.uk

12. What happens to local music services that do not operate on a multi-territory basis?

PRS for Music is negotiating with local societies to direct the IMPEL publishers' mechanical online and mobile rights back into the local societies to enable them to continue to offer blanket licences for this segment of the market. *PRS for Music* has also concluded bilateral agreements with other European societies to ensure that the matching performing rights are also available for blanket licensing of national services where scheme consent has been granted. Licensing of local services by the local societies makes sense from both a cost and monitoring perspective.

13. How do BIEM reciprocals work with IMPEL?

It is intended that the BIEM reciprocal agreements between MCPS and other European societies will be modified so that the withdrawn rights do not flow back into the society network. Rather, the publishers' withdrawn mechanical rights for online and mobile exploitation will remain solely with MCPS for multi-territory licensing.

14. How does multi-territory licensing comply with the European Commission's recommendations?

The Commission's Option 3 approach was for rightsholders to nominate an entity to administer their rights on a pan-European basis. By nominating *PRS for Music* as their agent and forming IMPEL, the independent publishers are acting as the Commission suggested. This is also in line with the action that the majors have already taken.

15. What is the relationship between IMPEL and the publishers who previously signed the pink contract?

The pink contract refers to a prior pan-European licensing agreement which some publishers signed with *PRS for Music* in 2007, and that was updated during 2010. It is intended that the contract will be rolled into the IMPEL initiative and the online and mobile mechanical rights of the signatures will be included in multi-territory music service licences at a future date. A member communication will be sent out in due course.

16. How can I find out more about IMPEL?

Contact *PRS for Music* via IMPEL@prsformusic.com

supported by

