# **Karaoke FAQs**



## Do I pay on sales?

No. Royalties are calculated on net shipments and are payable every calendar quarter, in arrears.

## How are the net shipments calculated?

A royalty accrues to MCPS when a product is shipped from the distribution centre. The net figure is calculated by taking the gross quantity shipped out less returns within the same quarter, and less other adjustments, such as any negative balance brought forward from a previous quarter on the same catalogue number & format.

#### How do I account details of shipments under KAR1?

A statement detailing what shipments have been made during the quarter is submitted to MCPS. The information must be produced in a format acceptable to MCPS.

#### What price do I report shipments on?

You need to report on the Published Dealer Price of the product - which is a minimum of £3 per disc. Therefore, if your Karaoke product has two discs; the minimum dealer price is  $\pm 6$ .

#### What are 'Predominant Works'?

In the event that 50% or more of all musical works included on any one product are controlled by a single MCPS member, that member has the right to approve the use of and license their works directly if they have elected to do so.

#### What are 'Single Artist' Karaoke products?

'Single Artist' Karaoke products are products which contain more than 5 tracks by the same artist, writer, or song writing partnership.

#### **Can I manufacture 'Single Artist' products?**

If the product does not fall into the 'Predominant Works' category, 'Single Artist' products require the prior approval of our members. If you receive approval in writing from our members (via MCPS) you can manufacture the products.

# How do I get a Karaoke Licence?

In the first instance, you should contact either your Account Manager (if you have one) or the Specialist Licensing Consultant who will discuss the suitability of the Karaoke Licence for your business. An application form and a signed copy of the agreement will be completed by you, and sent to MCPS, along with other required evidence e.g. projected royalties payable for the forthcoming year.

## Does the agreement cover online distribution?

No. In order to make downloads available of Karaoke tracks you will need to obtain an Online Music Licence from our Broadcast and Online team.

#### What about hard drives/memory disks loaded with Karaoke tracks?

Please contact your Account Manager or the Specialist Licensing Consultant.