

SCHEDULE OF MINIMUM RATES FOR THE LICENSING OF RECORDINGS MADE OF OUR MEMBERS' PRODUCTION MUSIC LIBRARY WORKS

TYPES OF LICENCES AVAILABLE.

A. AUDIO VISUAL RECORDINGS MADE FOR (NO MORE THAN 100 COPIES):-

- F1 : Films, audiovisuals and slide presentations exhibited to paying audiences excluding any form of advertising.
- F2 : Films, audiovisuals and slide presentations, including in-house training/motivation productions, exhibited to non-paying audiences excluding any form of advertising.
- F3 : Films, audiovisuals and slide presentations exhibited exclusively in Educational Institutions and excluding any form of advertising.
- F4 : Cinema advertising.
- F5 : Films, audiovisuals and slide presentations to demonstrate a named product or infomercial or corporate image exhibited to non-paying audiences.
- F6 : Films, audiovisuals and slide presentations to demonstrate a named product or infomercial or corporate image exhibited to paying audiences.
- T1 : Direct normal broadcast television programme transmission excluding closed circuit television, pay/cable television and any form of advertising (See note)
- T2a : Programme transmission over closed circuit television (including in flight) and pay/cable television networks, excluding any form of advertising.
- T2b : Satellite television programme transmission, excluding any form of advertising.
- T3a : Pay/cable television advertising.
- T3b : Satellite television advertising.
- T4 : Broadcast television advertising. (See note)
- T5 : Closed circuit television (including in flight) advertising.
- T6 : Combined television network advertising which includes T3a, T3b and T4.
- T7 : Transmission of audiovisuals to demonstrate a named product or infomercial over closed circuit television and pay/cable television networks.
- T8 : Transmission of audiovisuals to demonstrate a named product or infomercial over normal broadcast television or satellite television.
- V1 : Videogram production for home hire, excluding any form of advertising.
- V2 : Videogram production for retail sale to the public, excluding any form of advertising.
- V3 : Adverting on videograms distributed for home hire or retail sale to the public.

A: AUDIO VISUAL

RATES ARE GIVEN IN RANDS FOR A MINIMUM UNIT OF 30 SECONDS OR PART THEREOF PER EACH SEPARATE USE AND INCLUDES VAT AT RATE OF 14%																
TERRITORY	F1	F2	F3	F4	F5	F6	T1	T2A/B	T3A/B	T4	T5	T6	T7	T8	V1/2	V3
WORLD	398	199	163	2003	1223	1947	428	286	6662	13519	2276	17114	1947	3129	199	2003
EUROPE	193	96	79	1325	436	699	204	184	3173	6437	1043	8171	699	1062	96	1325
N.AMERICA	193	96	79	1325	436	699	204	184	3173	6437	1043	8171	699	1062	96	1325
S.AFRICA	143	93	66	1233	409	490	163	107	1547	1932	616	3331	490	765	131	1233
ANY ONE SADC* EX S.A	33	19	18	232	103	129	59	27	423	512	158	881	129	205	33	247
TOTAL SADC* EX S.A	176	84	74	490	323	581	194	101	1172	1748	648	2337	581	842	157	490
REST OF AFRICA	176	84	74	490	323	581	194	101	1172	1748	648	2337	581	842	157	490
ANY OTHER CONTINENT	176	84	74	490	323	581	194	101	1172	1748	648	2337	581	842	157	490

SERVICE CHARGE : 10.43 per licence (VAT included at rate of 14%)

	F2	F3
101 - 500 COPIES	111	88
501 - 2000 COPIES	139	111
2001 - 10000 COPIES	171	138

B. AUDIO ONLY RECORDINGS MADE FOR (NO MORE THAN 100 COPIES):-

A1 : Broadcast Radio Advertising (See note)

A2 : Public performances by means of record players/tape machines and similar devices in Stores, Supermarkets, In Flight and telephone on-hold systems. ***

- (a) Advertising.
- (b) Music Programmes interspersed with advertisements.
- (c) Music programmes NOT interspersed with advertisements.

A3 : Sales incentive schemes or demonstration of a named product.

A4 : In-house training courses.

A5 : Exclusive use in Educational institutions

A6 : Direct normal broadcast radio programme transmission excluding any form of advertising. (See note)

B: AUDIO ONLY								
RATES ARE GIVEN IN RANDS FOR A MINIMUM UNIT OF 30 SECONDS OR PART THEREOF PER EACH SEPARATE USE AND INCLUDES VAT AT RATE OF 14%								
TERRITORY	A1	A2(a)	A2(b)	A2(c)	A3	A4	A5	A6
S.AFRICA	967	284	74	33	121	33	24	33
ANY ONE SADC* EX S.A	264	86	23	11	39	11	10	11
TOTAL SADC* EX S.A	1215	411	98	45	183	45	39	45
REST OF AFRICA	1214	411	98	45	183	45	39	45
WORLD	3958	609	152	70	244	70	53	70

DUBBING FEE : Included in above rates

SERVICE CHARGE : 10.43 per licence (VAT included at rate of 14%)

	<u>A2B</u>	<u>A2C</u>
101 - 1000 COPIES	123.00	53.00
1001 - 5000 COPIES	174.00	80.00
5001 - 20000 COPIES	254.00	113.00
OVER 20000 COPIES	364.00	166.00

NOTE: In the case of licence types T1, T4, A1 and A6 the following rules shall apply for South Africa only

- (a) **National** rate (i.e. National broadcast of Television or Radio programme or advertisement shall be only as per the above tariff.
- (b) **Regional** or **Local** rate (i.e. Broadcast on one Regional or one Local Station) shall be 50% of the National rate plus the usual service charge. However, where broadcast is on one Regional and one Local Station or on more than one Regional and/or more than one Local Station, the National rate shall apply.
- (c) **Community** rate (i.e. broadcast on one station designated by the I.B.A. as a Community Station). In the case of Category A1 broadcast radio advertising only on one Community Station only, the rate shall be a flat rate R40 inclusive of VAT to cover royalty, dubbing and service fees. In the case Category T1, T4 and A6 the rate shall be 15% of National rate plus 15% service fees. However, where broadcast is one more than one Community Station or one Community Station and one Regional/Local Station, the National rate shall apply

N.B ALL RATES ARE SUBJECT TO THE PROVISION OF THE GENERAL NOTES FOLLOWING HEREAFTER.

C. INTERNET AND MULTI-MEDIA RECORDINGS

DEFINITIONS

Interactive productions: The expression “Interactive production” shall mean any interactive optical disc product which incorporates, reproduces or is capable of reproducing as digital data, the sounds of one or more musical works with other data types such as film, video, graphics, or text. By way of example only, this shall include all interactive music based products, feature films, karaoke, games, training, education productions as well as informational and biographical products.

WWW (World Wide Web): An Internet client-sever, hypertext distributed information retrieval systems

Web Page: A block of data available on the World Wide Web that is identified by an http URL.

URL (Uniform Resource Locator): A standard for identifying a block of data on the Internet.

Web Site: A particular web site is identified by the hostname part of a URL

Advertising: A Web Site, the content of which may in anyway (as a whole or in part) promote the trade or activity operated by any person, company or other organisation.

C: MULTIMEDIA								
RATES ARE GIVEN IN RANDS FOR A MINIMUM UNIT OF 30 SECONDS OR PART THEREOF PER EACH SEPARATE USE AND INCLUDES VAT AT RATE OF 14%								
TYPE OF LICENCE	WORLD	EUROPE	NORTH AMERICA	SOUTH AFRICA	ANY ONE SADC EX SA	TOTAL SADC EX SA	REST OF AFRICA	ANY OTHER CONTINENT
M1: INTERACTIVE PRODUCTIONS								
UP TO 100 COPIES	199	96	96	56	28	84	84	96
101 - 1000 COPIES	2420	126	126	74	39	111	111	127
1001 - 10000 COPIES	362	169	169	93	56	149	149	169
10001 - 50000 COPIES	449	213	213	111	74	184	184	213
OVER 50000 COPIES	589	277	277	138	93	230	230	277
M2: WWW NON-ADVERTISING	277							
M3: WWW ADVERTISING	1104							
M4: E-MAIL ADVERTISING	554							
M5: E-MAIL NON-ADVERTISING	138							

SERVICE CHARGE : 10.43 per licence (VAT included at rate of 14%)

*SADC = Southern African Development Community

N.B. ALL RATES ARE SUBJECT TO THE PROVISIONS OF THE GENERAL NOTES FOLLOWING
HEREAFTER

**GENERAL NOTES APPLICABLE TO SCHEDULE OF RATES FOR LICENSING
PRODUCTION MUSIC LIBRARIES**

- N.B.** Section 6 of the Copyright Act No.98 of 1978 as amended, provides that the copyright in a literary or musical work vests the exclusive right to do or to authorise the doing of any of the following acts
- (a) reproducing the work in any manner or form;
 - (b) publishing the work;
 - (c) performing the work in public;
 - (d) broadcasting the work
 - (e) causing the work to be transmitted in a diffusion service, unless such service transmits a lawful broadcast, including the work, and is operated by the original broadcaster;
 - (f) making an adaptation of the work;
 - (g) doing, in relation to an adaptation of the work, any of the acts specified in relation to the work in paragraph (a) to (e) inclusive;

Therefore any person who makes or authorises any of the foregoing without the consent of the copyright holder may be guilty of an offence in terms of Section 23 read with Section 27, of the said Act.

1. The rates in the accompanying schedules apply only to music contained in our members' Production Music Library records. In the case of any other music, enquiry in advanced of recording is essential, when rates will be quoted for classifications and territories decided upon by our members.
2. The rates in the accompanying schedules apply only to background music, which is defined as that music heard by viewers as accompaniment to the production but which is neither performed by, nor heard by, any characters taking part. For further clarification it is expressly stated that a studio audience is considered to be taking part in the production. Any music, which is not background music, as defined herein, is regarded as visual or featured. There will, however, be no difference in the rates charged for either type of usage.
3. **A licence must be obtained before the production is transmitted, distributed, shown, exhibited, sold, hired, or in any way exploited.** Application for licence should be accompanied by a full and correct music cue sheet. Failure to obtain a licence or the giving of incorrect information of any kind, is an infringement of copyright and entitles the owner to an interdict, damages and other relief, in terms of the provisions of the Copyright Act No.98 of 1978, as amended.

NOTE: Supplies of Cue Sheets are freely available from SARRAL.

4. **In using an existing recording as the source from which a musical work is reproduced, the permission of the manufacturer of that recording has also to be obtained.** In using Production Music Library records, this permission is automatically afforded on payment of the dubbing fee, which is included in the rates quoted. In the case of a commercial cd (those normally sold by retail) prior enquiry may be to SARRAL to establish availability conditions.
5. It should be emphasised that no film licence (classification F1, F2 and F3) covers the use of the production for any type of television transmission or videogram use and vice versa. Furthermore a separate licence for each medium will always be issued.
6. Films intended for home-movie hire or sale distribution will be covered by SARRAL's V1 or V2 licence.
7. A trailer for theatrically distributed films containing Production Music Library music, not used in the full-length film soundtrack, will be licensed under F1 classification.

8. Any usage of our members' Production Music Libraries not expressly stated in these notes or the accompanying rate schedules are prohibited and subject to special application. No addition of lyrics to or arrangements of the music contained in the library discs may be made.
9. Licences issued pursuant to these notes and accompanying schedules do not sanction copying of the production or any part of it in any form for the purpose of retail sale or home hire to the public. The only exceptions to the above being licenses issued under categories V1, V2 or V3 of the Tariff.
10. Productions which have been altered in either sound or visual content—including cut-down versions- are considered to be separate productions and attract a separate Licence and Fee.
11. Provided the necessary territory clearance has been obtained, productions **varying only in National language translation** will not attract a separate Licence and Fee.
12. Use of music in Radio, Film or Television advertisements:
 - (a) **PRODUCTION MUSIC LIBRARIES:**

No permission prior to recording is required, provided notification is made to SARRAL in the form of a Cue Sheet and Licence is obtained and paid for in accordance with the accompanying schedules and these notes prior to exploitation.
 - (b) **ALL OTHER MUSIC:**

(E.g. as contained on commercial cds)

 - i. No recording may be made without prior permission.
 - ii. Applications must be made to SARRAL giving full details of the intended use either telephonically, or in writing, including whether or not an existing recording is to be used.
 - iii. SARRAL where possible will on behalf of the advertiser, obtain permission and quote the amounts payable.
 - iv. In the event of this offer being acceptable SARRAL will issue a quotation in terms of the above and on payment thereof, will issue the advertiser with a licence incorporating a tax invoice evidencing the circumstances under which the recording may be utilised and that the amounts in respect thereof have been paid.
 - v. Under no circumstances may recordings of musical works be used until such time as licence has been obtained and paid for, otherwise the advertiser renders himself liable to prosecution in terms of the Copyright Act for infringement.
 - vi. It should be noted that copyright in musical works extends for 50 years after the composer's death and only at that point may new arrangements be made.
13. In acting as a clearing house for copyright investigation and enquiries SARRAL provides a service for the music user, for which it makes a normal charge of R9.69 which (includes VAT at the rate of 14%) per licence.
14. On receipt of a Cue sheet SARRAL will quote the Producer the amount payable including VAT, the total of which must be paid within thirty (30) days from the quotation date. On receipt of payment SARRAL will issue the necessary licence which will incorporate a Tax invoice, and **ONLY THEN** will the producer be entitled to exploit the production.
15. The schedule of Rate and accompanying note are reviewed annually.

WHAT IS PRODUCTION MUSIC?

Production Music is music specifically written for inclusion in audio and audio-visual productions, but more than that, it is music already recorded for convenient synchronisation and/or dubbing into these productions. It's range encompasses recorded versions of classical works, fanfares, musical 'bridges', stings...in fact, almost any type of musical accompaniment or backing to almost any scene.

WHY USE PRODUCTION MUSIC?

It is an inexpensive and readily available source of recorded music. It is licensed –in most cases-at published rates and pre-clearance is not necessary. By comparison, if you wished to dub a commercial record onto your production, you would have to negotiate fees both with the music copyright owner and with the record company before making the production. With production music, however, you pay a set fee to clear the music and the recording,

WHO ARE PRODUCTION MUSIC PUBLISHERS?

SARRAL publishes a list of the names, addresses, phone numbers and contacts of all Production Music Publishers which it represents and whose copyright are available for recording at the scheduled rates.

HOW DO I OBTAIN PRODUCTION MUSIC?

You contact a production Music Publisher, you tell him what sort of productions you are going to be making and he will be pleased to recommend a relevant selection of discs from his library for you to take away with you. For this, he may ask a nominal administrative charge. Alternatively, if your requirements are limited, he will let you listen to relevant discs and help choose the most appropriate track. This also, may incur a nominal administrative charge.

ARE THERE ANY SPECIAL CONDITIONS?

Whilst you may record Production Music before a licence is granted, this is on condition that you must, immediately after you have dubbed or synchronised the track(s) into your production send SARRAL a Music Cue Sheet showing the necessary information so that SARRAL can issue a quotation for the charges involved. You must not exploit your production until after you have paid all fees including VAT, and receive the licence (which will incorporate a Tax Invoice).

It should be especially noted that only non-exclusive licences are issued for the use of Production Music.

Before being supplied with Production Music Records, you will be asked to sign an undertaking with SARRAL. This document will broadly set out your obligations to, and the rights of, the Production Music Library owners. For any further information that you may need please contact SARRAL at the above address and we will do our best to help with your requirements.

ROYALTIES:

The previous pages give our latest schedule of Rates and Conditions for the use of Production Music Libraries. All rates include VAT at the rate of 14%