



COTT DISTRIBUTION RULES

FOR COPYRIGHT AND NEIGHBOURING RIGHTS

EFFECTIVE DATE: MARCH 01, 2020

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PART I

GENERAL PROVISIONS

1. ENACTMENT

- 1.1. Distribution Rules are enacted from time to time by the Board of Directors of COTT as a result of circumstances and assumptions made at the time of enactment or amendment and may be amended from time to time as a result of changes of those circumstances and assumptions.
- 1.2. This document provides an overview of COTT's rules and methods for administering performing, mechanical and neighbouring rights royalty distributions for musical works. COTT collects royalties from a range of sources on behalf of writers, publishers, performers and producers, this document describes how and when the royalties from each source are paid to the copyright owners.
- 1.3. The Distribution rules may vary from time to time. As a result, the amount that may be attributed to a performance credit may vary from distribution to distribution.
- 1.4. COTT does not license and therefore does not distribute on the following music usage:
 - 1.4.1. the performance of an opera, operetta, musical play, or similar work in its entirety insofar as it consists of words and music that were written expressly for it and when performed with the dramatic action, costumes or scenery of that work, except in cases where the performance is delivered as part of a pre-recorded audio-visual work (including but not limited to film and video).
 - 1.4.2. the performance of a choreographic work in its entirety insofar as it consists of words and music or music alone written expressly for it and when performed with the live visual representation of that same choreographic work, except in cases where the performance is delivered as part of a pre-recorded audio-visual work (including but not limited to film and video).
- 1.5. Rules enacted or amended may be effective from the date they are enacted or amended by the Board of Directors and may take effect in the distribution immediately following their enactment or amendment.

2. CITATION

- 2.1. These Rules may be cited as the *COTT Distribution Rules 2004 (Amendment No. 1) 2020* of the Copyright Music Organisation of Trinidad and Tobago (COTT).

3. DEFINITIONS AND CLASSIFICATION

In these Distribution Rules the following expressions have the meanings hereby respectively assigned to them and are used to identify types of usage for registration of works and the distribution of royalties:

- 3.1. **Member Shares:** means those parts of a musical work that:

- 3.1.1. consist of music, lyrics, or both, that were created by a writer who is a member of COTT or an affiliated society;
- 3.1.2. are published or administered by a publisher who is a member of COTT or an affiliated society.

OR

- 3.2. **Member Shares:** means those parts of a sound recording that:

- 3.2.1. consist of vocals or instrumental performances by a performer-member of COTT or an affiliated society;
- 3.2.2. are produced by a producer of recording who is a member of COTT or an affiliated society.

- 3.3. **Non-Member Shares:** means those parts of a musical work that:

- 3.3.1. are not protected by copyright in COTT's territory;
- 3.3.2. are created by a writer who is neither a member of COTT nor an affiliated society;
- 3.3.3. are published, co-published or administered by a publisher who is neither a member of COTT nor an affiliated society;
- 3.3.4. do not fall within the definition of Member Shares.

OR

- 3.4. **Non-Member Shares:** shall mean those parts of a sound recording that:

- 3.4.1. are not protected by under the provisions of the Copyright Act 1997 Amended by 18 of 2000, 5 of 2008;
- 3.4.2. are the recorded performances of a performer or producer of sound recordings who is not a member of COTT or an affiliated society;

- 3.5. Non-member shares will be placed in a non-member account for a maximum period of **three (3) years**. If the non-member does not become a member of any society during this period, the funds will be allocated under the discretion of the respective Boards;

- 3.6. **Performance Credits:** means the performance usage points allotted to a musical work based on logged performances or similar data
- OR
- 3.7. **Performance Credits:** means the performance credit points allotted to a performance based on logged performances or similar data.
- 3.8. **Publisher:** means a music publisher to whom a writer has assigned or licensed copyright in a musical work, or an entitlement to receive a share of performing and/or recording right royalties in respect of a musical work.
- 3.9. **Writer:** means a composer, lyricist, or a songwriter living or deceased.
- 3.10. **Feature or Visual Music:** music falls into one or more of the following categories:
- 3.10.1. music, which is performed by, or represented on screen as being audible to one or more of the characters in the scene portrayed;
 - 3.10.2. music performed in video clips;
 - 3.10.3. music performed in association with choreographed dance sequences;
 - 3.10.4. music performed live in its entirety or on camera by performers before the live audience of a television program.
- 3.11. **Theme Music:** music which identifies a television programme, a film or a series at the beginning, end, or within the programme, film or series.
- 3.12. **Logo Music:** music that identifies a production company at the beginning and/or end (also called “bump ins” and “bump outs” respectively) of a television program, film or television music which is not a theme.
- 3.13. **Program Promotions (Promos) Music:** music performed on radio or television to identify and promote a particular television/radio program, film or series.
- 3.14. **Station Identification Music:** a short musical item on radio or television performed to identify and promote a particular broadcasting station or channel.
- 3.15. **Commercial Jingle:** a short musical item on radio and TV to advertise a product or promote an event.

- 3.16. **Advertisements:** music other than commercial jingles contained in advertisements (including infomercials) and public service announcements.
- 3.17. **Feature Music:** all music performed at live events by the primary artiste(s) performing at the event and that are featured as such in any advertisement or newspaper reviews.
- 3.18. **Support:** all Music performed at live events by the artiste(s) who are secondary to the headline artiste performing at the event and that are featured as such in any advertisements or newspaper reviews.
- 3.19. **Background Music:** music which is performed by mechanical or electronic devices where the music is to create an atmosphere or ambience that is not a special feature of or essential to the operations or premise.
- 3.20. **Non-Featured Performers:** session musicians defined as performers, including background vocalists, engaged for a specified period of time to make one or more backing performances which are included in the sound recording.
- 3.21. **Contracted Featured Performers:** performers with an exclusive agreement with the record company producing the sound recording. This does not include agreements to do session work or producer/remixer agreements.
- 3.22. **Other Featured Performers:** performers within this category include those not exclusively contracted to the commissioning record company whose personal or professional names appear with or is linked with the name of the Contracted Artist. Other Featured Performers are entitled under the terms of the contract with the Contracted Artist to receive royalties from sales of the recording.
- 3.23. **Performing Producers:** a studio producer who makes a performing contribution whether audible or inaudible to the live performance that is recorded. An audible performance includes playing an instrument or singing and an inaudible performance includes conducting or directing the live performance as it is recorded.

4. DETERMINATION AND INTERPRETATION

- 4.1. In these Rules, a reference to a Paragraph is a reference to COTT's Bye-Law as Amended
- 4.2. Subject to Rule 4.2.3 below, royalty allocations and distributions made by the Board are final and binding except that the Board may consider and, if thought fit, make any adjustment:
 - 4.2.1. in response to any claim by any interested persons made within three years of the date of allocation or distribution concerned; or
 - 4.2.2. otherwise, within three years of the date of the allocation or distribution concerned.
 - 4.2.3. COTT may recover from any member any amounts paid in error by recovering that amount from the member or deducting that amount from any royalty allocation or distribution distributable to the member.
- 4.3. The Distribution Rules are determined by COTT's Board of Directors from time to time pursuant to the authority conferred by Bye-Law 9.7. Such determinations are made with the intent and purpose of achieving a fair and equitable distribution of the income collected by COTT. Rules are applied and interpreted by COTT's Board in a manner that best achieves this intent and purpose. If in the Board's opinion, this intent and purpose is being abused or has been abused, appropriate action may be taken in order to prevent or remedy this abuse or potential abuse.
- 4.4. If a member or affiliated society disagrees with the interpretation or application of a rule to their particular case or with any action taken by COTT's management; then that member or affiliated society may submit a written request for review of that matter to Management. Management shall review the matter, make a determination and advise the member or affiliated society accordingly.
- 4.5. If, after management advises according to Rule 4.4, the member or affiliated society disagrees with the determination, then upon being notified thereof the matter shall be submitted by management to the Board for its consideration. The decision of the Board shall be final.

5. CISAC, BIEM, IFPI AND CONTRACTUAL OBLIGATIONS

- 5.1. In enacting Distribution Rules, the Board is bound to observe and comply with the terms of agreements between COTT and:
 - 5.1.1. its members; and
 - 5.1.2. its affiliated societies

- 5.2. Although not binding, the Board endeavours as far as possible to comply with resolutions of the International Confederation of Societies of Authors & Composers (**CISAC**), the Bureau International Des Societies Gerant Les Droits D'enregistrement et de Reproduction Mecanique (**BIEM**) and the International Federation of the Phonographic Industry (**IFPI**) with the intent and purpose of achieving a fair and equitable distribution of royalties.
- 5.3. Royalties collected and distributed to COTT by affiliated societies are subject to the laws, conditions and practices applicable in the country of collection.

6. SPECIAL PROVISIONS FOR FUNDS

6.1. Development and Promotion of other interests

6.1.1. Bye-Law 10.2 of COTT's Bye-Laws makes special provisions as follows:

Special Funds: The Board may, before making any allocation and distribution among the Members and Affiliated Societies –

- a. apply out of the receipts such sums not exceeding five per cent (5%) of the receipts of the Organisation for the preceding financial year as it thinks proper or has agreed to contribute towards any:-
 - i. superannuation, benevolent, pension or similar fund which has been or may be established for the benefit of members of the Organisation, or the wives, widows, children or other dependents of such persons;
 - ii. payments whether by way of lump sum contributions or by instalments to defray the costs of medical and health care for members of the Organisation or the spouses, co-habitants, widows, widowers, children or other dependents of such persons or in the nature of premiums under a comprehensive group health medical insurance plan for the benefit of members of the Organisation or the spouses, co-habitants, widows, widowers, children or other dependents of such persons;
 - iii. foundation, trust, or similar fund which has been established for the purpose of promoting the use and recognition of Trinidad and Tobago music.
- b. set aside, out of the receipts of the Organisation, such sums not exceeding five per cent (5%) of the receipts of the Organisation for the preceding financial year as it thinks proper as a reserve fund to meet contingencies, or for future distributions or for repairing, improving and maintaining any of the property or premises of the Organisation, and for such other purposes as the Board shall in its absolute discretion think necessary or conducive to the interests of the Organisation, and may invest the several sums so set aside in such investments and dispose of all or

any part thereof for the benefit of the Organisation, and may divide the reserve fund into such special funds as it thinks fit, and employ the reserve fund or any part thereof for the general purposes of the Organisation, and that without being bound to keep the same separate from the other assets.

7. SUBMISSIONS AND SELF REPORTING SYSTEMS

- 7.1. The submission deadline for self-reporting of Live Performance Returns is three (3) months after the performance has taken place.
- 7.2. This deadline may on application by the claimant be extended for a further period in cases where extrinsic evidence deemed sufficient by Management is provided in support of the claim and or application.
- 7.3. Where a claim is to be credited by COTT outside the stipulated deadline, unless otherwise approved by the Board, payment shall be made in the next distribution pay-out and shall be credited at the rate applicable to the distribution in which it is paid.

8. QUANTIFICATION OF MONETARY VALUE

- 8.1. Under the terms of COTT's licence agreements, Licensees have an obligation to report to COTT details of the musical works ("logs" or "program returns") for which they have been granted the authorisation for the public performance or transmission. COTT may use the information provided or any part thereof either by itself or in addition to information provided by members, affiliated societies and third parties where appropriate, to identify the copyright owner(s) of each work that has been performed or transmitted and to calculate royalty entitlements.
- 8.2. The information provided as set out at 8.1 shall be matched against works in COTT's database. On entry into the database, the reported usages are converted into "credit points" which shall be given a credit value depending on the quantum of the distributable revenue available for the particular distribution.
- 8.3. To arrive at a monetary value the aggregate number of credit points in each discrete distribution pool, for the works reported during the relevant distribution period, is divided into the distributable revenue for that pool to arrive at a dollar value for a single credit point.

- 8.4. The distribution “value” of each work is then calculated by multiplying the number of credit points it has accumulated in each distribution pool (a work may accumulate credit points during the period in several different pools) by the monetary value of a single credit point in the relevant pool.
- 8.5. Each work's total earnings are distributed to the writers and publishers of that work in accordance with the work's registered allocation of shares.

9. UNIDENTIFIED PERFORMANCES

- 9.1. COTT shall use its best efforts to identify all works appearing in its distribution analysis. The term “unmatchable usage” will be used to indicate where a work has been featured in a distribution, but COTT has been unable to match that work, whether registered or unregistered, or to identify the interested parties as members of a collecting society. The usage is therefore found to be unmatchable and would be allocated to the Pending Identification (PI) File.
- 9.2. Works allocated to the PI File will be made available on COTT's website for the perusal of affiliated societies and COTT members.
- 9.3. The following works are to be included in the PI File:
- a. Usage with interested parties identified as non-members
 - b. Un-payable arrangements of public domain works
 - c. Insufficient information or unidentifiable usage
 - d. Sound effects or speech
 - e. Grand rights - performance not to be paid
 - f. Public domain works or traditional works
- 9.4. Usages usually appear on the Unidentified Performances List one (1) calendar month after each distribution. During that month, COTT reviews the unmatchable usages to find items that should have been matched, and ensures they are processed for the next distribution. Members and affiliated societies are able to claim these unmatched usages using the online facilities on the COTT website.
- 9.5. Where COTT is unable to identify the person interested in the work for the purpose of paying that person the sum before the expiration of three (3) years from the end of the relevant financial year, the sum shall on the expiration of that period shall be deemed to be “non-distributable” provided that no sum shall be deemed non-distributable under this Rule where the identity of

the person interested in the work has been ascertained or is ascertainable by COTT; but that, having verified its records and other readily available records relating to that person, COTT has been unable to locate the person interested for the purpose of effecting payment of the sum. Such sum shall be considered “unclaimed” for the purposes of the Distribution Rules and shall be dealt with as provided for by the Rules or alternatively as the Board may direct.

- 9.6. Royalties which remain undistributed / unclaimed after three (3) years which represented prior unmatched usages, shall be used at the discretion of the Board to cover distribution, other administrative and capital expenses.

10. DISTRIBUTABLE REVENUE

- 10.1. The distributable revenue of COTT shall be determined in accordance with Bye-Law 10.1 of COTT's Bye-Laws.
- 10.2. The distributable revenue may include:
- 10.2.1. gross licensing revenues
 - a. less administrative expenses i.e. the expenses of and incidental to the conduct, management and operation of COTT
 - b. less monies applied by the Board for social and cultural purposes pursuant to paragraph 10.2.1 of Bye-Law No.1
 - c. less monies set aside by the Board for transfer to reserves pursuant to paragraph 10.2.2 of Bye-Law No.1. as amended.
 - 10.2.2. royalties received from affiliated societies less administrative expenses;
 - 10.2.3. interest earned from investments after the deduction of administration fees received during relevant period;
 - 10.2.4. the application of credits allocated to the various distribution pools.
 - 10.2.5. Administrative expenses vary from year to year. The key expense items are salaries, professional fees, licensing collection costs, amortised capital expenditure and information technology expenses.
 - 10.2.6. COTT deducts 5% of the distributable revenue payable to members for the purpose referred to under Rule 10.2.1.2. above. The percentage deducted for this purpose from royalties payable to affiliated societies is determined by negotiation with these societies.
 - 10.2.7. Distributable revenue may vary from one period to the next. COTT's

11. DISTRIBUTION ACCOUNTS

Upon completion of each distribution, royalties allocated to a work or to certain interested parties of a work may be held in suspense in the following Special Accounts:

11.1. Non-Member Special Account

- 11.1.1. If one of the interested parties of an originated work is not a member of COTT or any affiliated society, that non-member's share will be placed in the Non-Member Special Account.
- 11.1.2. Non-member writer shares for works originating overseas are returned to distributable revenue to be allocated on a pro-rata basis among member shares referable to all works sharing in the following distribution.
- 11.1.3. Non-member writer shares for local works are held pending the admission to membership of the writers concerned, at which time the relevant fees are credited accordingly.
- 11.1.4. Non-member writer shares held for writers not admitted by the end of the relevant distribution are returned to distributable revenue to be allocated on a pro-rata basis among member shares referable to all works sharing in the following distribution.
- 11.1.5. Non-Member publisher shares are credited proportionately to the writers of the work.

11.2. Dispute Suspense Account

- 11.2.1. If COTT is notified of a dispute among members, or involving members of an affiliated society, COTT will, place the performance credits, if any, allotted to the disputed shares of the work or works affected, in suspense for a period of 2 years from the time COTT is notified in writing of the dispute. Provided that the claim giving rise to the dispute is
 - a. not trivial or vexatious; and
 - b. is supported by prima facie documentary evidence (which may include a statutory declaration),
- 11.2.2. If a legal action has not been commenced within this 2 year period or if the dispute is not otherwise settled within this 2 year period, COTT may, at its option, remove the performance credits from suspense and make a distribution according to the allocation of the shares prior to the date that the dispute arose.
- 11.2.3. If a legal action is commenced within the 2-year period and COTT is notified in writing by a member of the existence of this action, then any performance credits in suspense and any distribution payable on account of those shares shall remain in suspense until the action is finally decided, discontinued or otherwise settled.

- 11.2.4. When COTT is notified that the dispute has been resolved, the distribution payment on account of the performance credits in suspense shall be made according to the terms of settlement, providing those terms do not conflict with COTT's distribution rules.

11.3. Credits in Suspense

- 11.3.1. If it comes to COTT's attention that a member has notified COTT as to allocation of shares of a musical work and such a work incorporates a portion of another musical work which is protected by copyright in Trinidad and Tobago, COTT shall place any performance credits allotted to the work notified to COTT by the member in a suspense account.
- a. Upon the member providing written evidence of authorisation from the copyright owner of the original work that has been incorporated in the work notified by the member, COTT shall remove the performance credits from suspense according to the allocation of shares specified in the written authorisation.
 - b. COTT uses its best efforts to identify all works appearing in its distribution analysis. Distribution credits not payable owing to lack of documentation are paid in the first distribution following the identification of the interested parties and share details.
 - c. Payment is at the dollar amount that is attributable to a performance credit at the time the payment is made.

12. COMPLAINTS PROCEDURE AND ALTERNATIVE DISPUTE RESOLUTION

COMPLAINTS PROCEDURE

- 12.1. COTT has the following *Complaints Procedure* open to members if a member is of the opinion that a matter has been dealt with by COTT in an unsatisfactory manner:
- 12.1.1. If a member expresses to COTT dissatisfaction with the information, explanation or response received from an officer of the organisation, the matter is referred to the Chief Executive Officer.
 - 12.1.2. The Chief Executive Officer will then write to the member within 14 days, responding to the member's complaint and advising of the member's right to take the matter further if still dissatisfied.
 - 12.1.3. If the member remains dissatisfied, he/she may – by letter (including email) addressed to the Chief Executive Officer – require the complaint to be dealt with by COTT's Board of Directors. The letter will be responded to by the President of the Board within 7 days and will provide an estimate of the time required to deal with the complaint.

- 12.1.4. The complaint will be tabled at the following meeting of the Board. The Board will consider the complaint and take whatever action it considers appropriate in the circumstances. The member will be properly advised of the Board's decision and actions.

ALTERNATIVE DISPUTE RESOLUTION

- 12.2. COTT offers *Alternative Dispute Resolution (ADR)*, by providing mediation services to members, in the following circumstances, subject to all parties agreeing to submit to the procedure:
- 12.2.1. Where writer members are in dispute as to the proportions in which royalty allocations are to be shared;
- 12.2.2. Where writer and publisher members, are in dispute as to their respective entitlements from COTT;
- 12.3. COTT does not offer mediation services where members are in dispute as to copyright ownership or alleged copyright infringement.

13. ADJUSTMENTS

- 13.1. In the normal course of distribution, errors may occur due to misidentification of works or their interested parties. Members and affiliated societies are entitled to adjustments if COTT is notified within 3 years of distribution.

PART II
DIVISION A
COPYRIGHT

**PUBLIC PERFORMANCE, RADIO AND TELEVISION BROADCASTS
AND CABLE RE-TRANSMISSIONS**

The following provisions apply to writers, publishers, performers and producers who are members of COTT or affiliated societies.

14. DISTRIBUTION METHODS

- 14.1. COTT shall seek to ensure, as far as possible that the licence fees received from each music user are paid directly to the works performed or transmitted by that user. COTT therefore uses a number of different distribution methods:
- 14.1.1. **Direct allocation** – licence fees from an individual licensee are distributed, usually on a 100% (census) analysis, to the music used and reported to COTT for events with a gross licence of **TT\$5,000.00** or more.
 - 14.1.2. **Sample analysis** – licence fees received from similar music users are pooled and distributed using a sample analysis of their programme returns.
 - 14.1.3. **Sample/direct allocation** – licence fees paid by a single licensee are allocated directly to the musical works used by that licensee; based on a sample analysis of the programme returns.
 - 14.1.4. **Distribution by analogy** – licence fees are added to an existing distribution pool that is most similar in terms of its music content.

15. NOTIFICATION AND RE-ALLOCATION OF COPYRIGHT SHARES

- 15.1. Each member must notify COTT of the allocation of shares and the full names of all interested parties and their composer/ author/ publisher designation sufficient detail, in relation to each musical work to be administered by COTT.
- 15.2. Each writer and publisher member must agree, in writing or electronically, to an allocation of shares of a given work if that allocation varies from the allocations stated in the SCHEDULE OF DIVISION OF SHARES Rule 21

- 15.3. The notification may be executed electronically using COTT's member portal accessible via COTT's website www.cott.org.tt
- 15.4. Notifications electronically executed will be binding on the parties to the notification
- 15.5. By electronically agreeing, each party acknowledges that he/she/it has read and agrees to be bound by the electronic notification
- 15.6. COTT's management may, at its discretion, request written notification, including copies of the relevant portion of contracts, even if the allocation of shares of a given work agrees with the allocations stated in the SCHEDULE OF DIVISION OF SHARES Rule 21
- 15.7. COTT shall accept written notification that advises COTT of the allocation of shares by way of either the appropriate form supplied by COTT and properly completed, a letter or other correspondence signed by all the sharers or a contract or contracts between the sharers that establishes the allocation of shares.
- 15.8. COTT shall rely upon this notification until further advised by a COTT member(s).
- 15.9. Members may reallocate the shares of a given work among themselves providing all the members affected by the reallocation agree, in writing, electronically and provide COTT with a copy of the agreement.

16. WORKS ORIGINATING FROM COTT AND OTHER SOCIETIES REPERTOIRE

COTT REPERTOIRE

- 16.1. The distribution of performing right royalties to interested parties shall be based on the SCHEDULE OF DIVISION OF SHARES Rule 21 The divisions are in every case modifiable where it is so agreed in writing between the interested parties, with the limitation that in no instance may the share of the publisher, or the combined share of all publishers of a particular work, exceed 50% of the total distribution fees.
- 16.2. Where a publisher, composer or lyricist is not a member of COTT his share shall be placed in the **Non-Member Special Account**.

- 16.3. For performances of a work originally in the vocal form, the author will receive his or her normal share. In cases where a vocal version is made of a work originally in the instrumental form, the author will receive a share only when the vocal version is performed.

REPERTOIRE OF OTHER SOCIETIES

- 16.4. COTT shall use the share division provided and conditions mandated by the society from which the work originated in so far as those are consistent with **CISAC** recommendations.

17. SOURCES OF REVENUE – DISTRIBUTION POOLS

- 17.1. A separate distribution pool applies to each of the major identifiable sources of distributable revenue for which programme returns (or similar documentation) are provided to COTT. The main distribution categories, some of which include a number of discrete pools are:

17.1.1. **Local Revenue Sources:**

- a. **Radio:** All revenue from radio broadcast licence fees shall be pooled for the purposes of the Radio Distribution.
- b. **Television:** All revenue from terrestrial, cable & satellite television broadcast licence fees shall be pooled for the purposes of the television distribution.
- c. **(Major) Live Events:** All revenue from live events in respect of which the licence fee per event is \$5,000.00 and above.
- d. **Carnival (Festivals):** All revenue from Carnival band launches and other pre-Carnival launches and all events during the period commencing on Boxing Day and ending on Ash Wednesday.
- e. **General:** All revenue from performance licences other than broadcast, Carnival and live events [in respect of which the licence fee amounts to under \$5,000.00], shall be pooled for the purpose of the General Distribution.
- f. **Online:** All revenue from online music services (including ring tones).

17.1.2. **Foreign Revenue Sources:**

- a. Performance Royalties received from affiliated societies.

- 17.2. Distributable revenue received in respect of public performances, broadcasts or communication to the public for which no programme returns, or similar documentation are available, are apportioned to those pools which, in the Board's view most accurately reflect the music performed.

18. COTT ORIGINATING WORKS SUB-PUBLISHED ABROAD

- 18.1. Where an agreement between the writer(s) and the original publisher of a work provides for a specific total publisher-share, that share alone is divisible in accordance with the provision of the sub-publishing contract.
- 18.2. Where the original publishing contract does not specify the share payable to the writer(s) and publisher(s) respectively, then the COTT rules will apply by default, and as such COTT shall allocate the publisher with a maximum of 50% of the total share and the remaining 50% shall be divided equally between the composers and authors of the work.

19. FOREIGN ORIGINATED WORKS

- 19.1. Where an author or composer is not a member, his share shall be paid to the society of the original publisher.
- 19.2. If the work is unpublished, the non-member's writer share shall be paid to the society of the cowriter, if any.

20. SCHEDULE OF DIVISION OF SHARES

- 20.1. Member Shares are entitled to a royalty allocation in accordance with COTT's Rules. Non-member shares shall be entitled to a royalty allocation but shall not be distributed.
- 20.2. In the absence of a specific notification or by notification of contractual agreements to the contrary the shares of a musical work are allocated as follows:

ORIGINAL UNPUBLISHED WORKS:

	Composer(s)	Author(s)	Publisher(s)
▪ Composition with Lyrics	50%	50%	-
▪ Composition without Lyrics	100%	-	-
▪ Public Domain composition with copyright lyrics	-	100%	-

ORIGINAL PUBLISHED WORKS:

	Composer(s)	Author(s)	Publisher(s)
▪ Composition with Lyrics	25%	25%	50%
▪ Composition without Lyrics	50%	-	50%
▪ Public Domain composition with copyright lyrics	-	50%	50%
▪ Composition with lyrics Composer share only published	25%	50%	25%
▪ Composition with lyrics Author share only published	50%	25%	25%

20.3. Contractual variations to the above rules are subject to the overriding rule that the share allocable to the writer or writers of a work shall not be less than 50%.

20.4. Where a musical work is licensed for use in an advertisement and new or substantial lyrics are used in the advertisement, the parties may agree that the new lyricist's or sub-lyricist's share of performing right income be waived in favour of the original copyright owner(s).

21. ARRANGEMENTS OF MUSICAL WORKS

21.1. Where an arrangement of a copyright musical work is made, no share is allocated to the arranger unless the share is established according to any agreement, in writing, between the copyright owner and the new arranger.

21.2. Where an arrangement of a public domain work is made, shares are allocated, subject to the rules set out in Rules 21.1. as follows:

UNPUBLISHED ARRANGEMENT:

	Arranger	Publisher	Author	*Non-copyright element
▪ Unpublished arrangement without lyrics [or public domain lyrics]	50%	-	-	50%
▪ Unpublished arrangement with unpublished copyright lyrics	25%	-	50%	25%
▪ Unpublished arrangement with published copyright lyrics	25%	25%	25%	25%

PUBLISHED ARRANGEMENT:

	Arranger	Publisher	Author	*Non-copyright element
▪ Published arrangement without lyrics [or with public domain lyrics]	25%	25%	-	50%
▪ Published arrangement with unpublished copyright lyrics	12.5%	12.5%	50%	25%
▪ Published arrangement with published copyright lyrics	12.5%	37.5%	25%	25%

* NB: - non-copyright element returned to distributable revenue

22. TRANSLATIONS OF LYRICS AND ADDITION OF AMENDED OR SUBSTITUTED LYRICS

22.1. Where an authorised translation of copyright lyrics is made, or lyrics are changed or substituted with the authority of the copyright owner, shares are allocated as follows:

FOR PUBLISHED WORKS:

Composer	Original Author	Translator	Publisher	Arranger	*Non-copyright element
25%	12.5%	12.5%	50%	-	-

FOR UNPUBLISHED WORKS:

Composer	Original Author	Translator	Publisher	Arranger	*Non-copyright element
50%	25%	25%	-	-	-

22.2. Where a translation of non-copyright lyrics is made, or non-copyright lyrics are changed or substituted, shares are allocated as follows:

FOR PUBLISHED WORKS:

Composer	Original Author	Translator	Publisher	Arranger	*Non-copyright element
-	-	12.5%	25%	12.5%	50%

FOR UNPUBLISHED WORKS:

Composer	Original Author	Translator	Publisher	Arranger	*Non-copyright element
-	-	25%	-	25%	50%

* NB: - non-copyright element returned to distributable revenue

23. DISTRIBUTION CREDITS

23.1. RADIO

Performance Credits

- 23.1.1. Performances shall receive a full credit for each second of duration. Where there is no available information on duration, each performance shall receive 10 credits. There is no distinction between Theme, Station IDs, Bridge music and Jingle Music used in commercial advertising, promotional or public service announcements.

Programming Analysed

- 23.1.2. A representative number of days of programming information, based on the licence fee paid by radio stations, as determined by the Board, requested and received shall be included in each distribution period.

23.2. TELEVISION CABLE AND SATELLITE

Performance Credits

- 23.2.1. Television performances are given a factor 2.5 times the weighting of radio performances

Programming Analysed

- 23.2.2. Licensing revenues from television, cable and satellite stations shall be distributed based on cue sheets received. In the absence of reliable cue sheet information, distribution shall be based on analogy with the radio broadcast returns;

23.3. CONCERTS AND EVENTS

Performance Credits

- 23.3.1. All performances taking place at events for which a licence fee of \$5,000.00 and above has been paid and for which programme returns have been received shall receive the following performance credits: -

		Credits
FDMF	Featured DJ Music [CA, CC&CE Tariffs]	15
FTR	Featured Live Performance [CA, CC & CE Tariffs]	25
HDL	Headline Performances [CA, CC & CE Tariffs]	30
SPT	Live Supporting Performance [CA, CC & CE Tariffs]	20

Programming Analysed

- 23.3.2. All program returns received for which licences have been granted under the applicable tariff shall be included in the distribution.
- 23.3.3. In the absence of complete or reliable or any program returns in relation to particular events, all licence fees received from such events shall be pooled and distributions shall be on the basis of a representative sample of program returns received from other events.

23.4. LIVE AND SMALL EVENTS

Performance Credits

- 23.4.1. Income from premises and venues that utilise live performance of music and where there is an absence of complete and reliable program returns for such events to facilitate a direct line distribution.

		Credits
DJM	DJ music performances - [All other Tariffs]	4
ENC	Encore Music Performance - CALYPSO TENTS	17
FDM	Featured DJ Music - [CA, CC & CE Tariffs]	15
FTR	Featured Live Performance - [CA, CC & CE Tariffs]	25
HDL	Headline Performances - [CA, CC & CE Tariffs]	30
INC	Live Incidental Music - [CA, CC & CE Tariffs]	16
LIV	Live performances - [All other Tariffs]	8
MDJ	Background DJ music - [CA, CC & CE Tariffs]	10
MDL	Songs performed in medley - [CA, CC & CE Tariffs]	12
SPT	Live Supporting Performance - [CA, CC & CE Tariffs]	20

Programming Analysed

- 23.4.2. All program returns received for which licences have been granted under the applicable tariff shall be included in the distribution.

23.5. GENERAL PERFORMANCES

Performance Credit

- 23.5.1. All performances analysed on the basis of analogy with radio broadcasts, live events and Carnival events shall receive respectively a performance credit that is ordinarily attributed to a performance in radio distribution, live events distribution and Carnival distribution.

Programming Analysed

- 23.5.2. All distributable revenue from domestic sources other than Rules 23.1 to 23.4 above shall be pooled and distributions shall be based on representative samples of program returns received in respect of radio broadcasts, Carnival, live and concerts events.

23.6. EXCEPTIONS

- 23.6.1. Music contained in In-Flight Programming and Background Music Services shall receive 10 credits per performance analysed. Net distributable revenue from such sources shall be allocated directly to the music copyright owners where there is programming information available in each distribution period. In the absence of programming information, a representative sample of information requested and received from radio broadcasts shall be included in each distribution period.

24. ROYALTIES RECEIVED FROM AFFILIATED SOCIETIES

- 24.1. Royalties received from affiliated societies shall be distributed to members Bi-annually following receipt except where the distributable amount exceeds **TT\$3,500.00** in which case the amount concerned is distributed approximately one month from receipt and analysis of the accompanying documentation.
- 24.2. COTT shall deduct 5% of net royalties received from affiliated societies in respect of the costs associated with analysis and processing of such royalty payments.

25. FREQUENCY AND TIMING OF DISTRIBUTIONS

- 25.1. Performing right royalties for the Broadcasting, General and Cable re-transmission pools shall be distributed once yearly in respect of licence fees collected during the preceding calendar year.

- 25.2. COTT shall distribute royalties in October of each year in respect of licence fees collected during the Carnival season of that year.
- 25.3. Interim or supplementary distributions may also be made
- 25.4. Where the amount of royalties does not exceed **TT\$100** and **US\$100** respectively for local members and affiliated societies the royalties will be withheld and distributed at the next distribution.

NB: - Payments to members of COTT will be paid in local currency Trinidad and Tobago dollars (TT\$).

PART II

DIVISION B

REPRODUCTION RIGHTS

26. DISTRIBUTION PRINCIPLES

- 26.1. Under the terms of COTT's licence agreements, licensees are contractually obliged to report details of works reproduced. Where a blanket licence is issued details of the music usage must be supplied. The reports made available may be used to calculate fees to be distributed.
- 26.2. COTT's distribution is based on the principle that the licence fees should be paid directly to the musical works reproduced where possible and economically viable to do so.

27. DISTRIBUTION METHODS

- 27.1. COTT's distribution methods in relation to reproduction rights are as follows:
- 27.1.1. **pay per use/work by work** – licence fees are calculated and collected for each work reproduced.
 - 27.1.2. **direct allocation** – blanket licence fees are paid by the licensees and are allocated directly to the musical works used by that licensee.
 - 27.1.3. **sample/direct allocation** – licence fees are paid by a single licensee however a sample reporting system is in place.

28. EXCLUSIONS

- 28.1. If a member has excluded from COTT's control any rights pursuant to Clause 3.1 of COTT's Membership Agreement or the right of first recording under COTT's Notification of Works form, COTT will not make any distributions in relation to such excluded rights.

29. UNIDENTIFIED WORKS

- 29.1. COTT uses its best efforts to identify all works submitted for licensing. In the event that COTT is unable to identify the copyright owner of a work within a period of 1 year from the date of receipt of royalties COTT shall be entitled to credit the payment for the work to the Social and Cultural Fund.

30. DEDUCTIONS

- 30.1. COTT is entitled to deduct and retain the following commission:
- 30.1.1. from all fees, royalties and other sums received in respect of the licensing of recording rights:
 - a. A commission rate of **15%** in respect of audio products
 - b. A commission rate of **20%** in respect of all other sources of reproduction rights income
 - 30.2. Such rates of commission may be varied at any time at the discretion of the Board but shall not exceed 20%
 - 30.3. Deductions from Affiliated societies will be in accordance with the terms of reciprocal agreements.
 - 30.4. All commissions deducted under Rule 30.1 above shall be credited to the Recording Rights Account.
 - 30.5. COTT deducts 5% of net royalties received from affiliated societies in respect of the costs associated with analysis and processing of such royalty payments.
 - 30.6. All commissions received shall be allocated to administration expenses associated with reproduction rights

31. SOURCES OF REVENUE

- 31.1. Distributable revenue means gross licence fees collected, less COTT's commission as per Rule 30.1.
- 31.2. The main licence categories are:
- a. Audio-Products – Local Manufacture
 - b. Audio-Products – Importation
 - c. Audio Visual Products – Local Manufacture
 - d. Audio Visual Products – Importation
 - e. Carnival Recordings
 - f. Broadcasters Clearance
 - g. Commercial Advertising
 - h. Synchronization
 - i. Online/Ringtones
 - j. Foreign Receipts

31.3. Distributable revenue falls into 2 main categories

31.3.1. work by work (or pay per use)

31.3.2. blanket pools

32. AUDIO PRODUCTS/ AUDIO-VISUAL PRODUCTS

32.1. Licence fees are calculated on a pay per use basis and the amount collected per work less commission is paid to the copyright owner(s) at the time of distribution.

33. CARNIVAL RECORDINGS

33.1. Distributable revenue from licences for Carnival Recordings is distributed to musical works based on data from the Carnival Performance Pool for the relevant licence period.

34. BROADCASTERS

34.1. Distributable revenue from licences for Broadcasters Clearance is distributed to musical works based on data from the Carnival Performance Pool for the relevant licence period.

35. ADVERTISING / SYNCHRONISATION

35.1. Licence fees are calculated on a pay per use basis and the amount collected per work less commission is paid to the copyright owner(s) at the time of distribution.

36. DISTRIBUTION – ONLINE GENERAL

36.1. Licensed on a pay per use basis or blanket basis.

36.2. If licensed on a pay per use basis each work receives one credit point per 30 seconds or part thereof. If there is no information as to duration fees are distributed equally on a song occurrence basis.

36.3. If licensed on the basis of a blanket licence each work receives one credit point per 30 seconds or part thereof. If there is no information as to duration fees are distributed equally on a song occurrence basis.

- 36.4. Distributions are made in the quarter the licence fee has been paid in full. The total licence fee less commission is distributed at the time of distribution to the copyright owner(s) of the works.

37. DISTRIBUTION – RINGTONES / DOWNLOADS

- 37.1. Licensed and distributed on a pay per use basis based on sales data.

38. FREQUENCY AND TIMING OF DISTRIBUTIONS

- 38.1. Commencing February 2005 COTT shall distribute reproduction royalties on a semi-annual basis in respect of licence fees collected during the preceding year.
- 38.2. Supplementary distributions may be made.
- 38.3. Distributions will only be made for all invoices which are paid in full at the end of each quarter.
- 38.4. Where the distributable amount to a member exceeds TT\$5,000.00 the amount concerned shall be distributed approximately 7 working days from receipt of the full licence fee.
- 38.5. Where the amount of royalties does not exceed TT\$100 and US\$100 respectively for local members and affiliated societies respectively, the royalties will be withheld and distributed at the next distribution.

PART III
DIVISION A
NEIGHBOURING RIGHTS

**PUBLIC PERFORMANCE RADIO AND TELEVISION BROADCASTS AND CABLE
RE-TRANSMISSIONS**

The following provisions apply to eligible performers and producers of phonograms who are members of COTT

39. DISTRIBUTION PRINCIPLES

- 39.1. Under the terms of COTT's licence agreements, licensees are contractually obliged to report details of recording performed. Where a blanket licence is issued details of the music usage must be supplied. The reports made available may be used to calculate fees to be distributed.
- 39.2. COTT's distribution is based on the principle that the licence fees should be paid directly to the sound recordings performed where possible and economically viable to do so.
- 39.3. Subject to the provisions of COTT Bye-Law 10 COTT shall be entitled to allocate and make distribution directly to performers in such proportion as may be due to them from producers.
- 39.4. In the event that the proportional share between the producer and performer of any work is not duly notified, COTT shall have the right to allocate the royalty to be shared between the producer(s) and performer(s) concerned, with 50% allocated to the producer(s) and 50% allocated to the performer(s), as applicable.

40. DISTRIBUTION METHODS

- 40.1. COTT shall seek to ensure, as far as possible that the licence fees collected from each music user are paid directly to the recordings performed or transmitted by that user. COTT therefore uses a number of different distribution methods:
 - 40.1.1. **Sample Analysis** – where licence fees from similar users are pooled and distributed using a sample analysis of programme returns;
 - 40.1.2. **Sample/Direct Allocation** – where licence fees paid by a single licensee are allocated to the musical works used by that licensee based on a sample analysis of the programme returns;

- 40.1.3. **Distribution by Analogy** – where licence fees are added to an existing distribution pool which has similar music usage.

41. NOTIFICATION OF SHARES AND RE-ALLOCATION OF NEIGHBOURING RIGHTS SHARES

- 41.1. Each member must notify COTT of the allocation of shares (or 'division of fees') and the full names of all interested parties, in sufficient detail, of each sound recording to be administered by COTT.
- 41.2. Where notification of shares is provided to COTT by a producer of phonograms, COTT may verify the allocation of shares by contacting the performer(s) concerned.
- 41.3. The notification may be executed electronically using COTT's member portal accessible via COTT's website www.cott.org.tt.
- 41.4. Notifications electronically executed will be binding on the parties to the notification.
- 41.5. By electronically agreeing, each party acknowledges that he/she have read and agrees to be bound by the electronic notification.
- 41.6. COTT's management may, at its discretion, request written notification, including copies of the relevant portion of contracts,
- 41.7. COTT shall accept written notification that informs COTT of the allocation of shares by way of either the appropriate form provided by COTT and duly completed, a letter or other correspondence signed by all the shareholders, or a contract or contracts between the shareholders that establishes the allocation of shares.
- 41.8. COTT shall rely upon this notification until further advised by a COTT member(s).
- 41.9. Where the interested parties seek a re-allocation of shares, all such shareholders must consent to the re-allocation in writing or electronically confirming agreement between the interested parties.
- 41.10. Where COTT is not provided with the division of shares between performers then a default system will be applied as follows: -

- a. Featured Performers **65%**
- b. Non-Featured Performers **35%**

42. FREQUENCY AND TIMING OF DISTRIBUTIONS

- 42.1. Public performance right royalties for the Broadcasting, General and Cable re-transmission pools shall be distributed once yearly in respect of licence fees collected during the preceding calendar year.
- 42.2. COTT shall distribute royalties in October of each year in respect of licence fees collected during the Carnival season of that year.
- 42.3. Interim or supplementary distributions may also be made
- 42.4. Where the amount of royalties payable is less than **TT\$100** and **US\$100** respectively for local members and affiliated societies the royalties will be withheld and distributed at the next distribution when the amount payable is greater than TT\$/US\$100.00

Payments to COTT members will be paid in local currency Trinidad and Tobago dollars (TT\$).

43. MAIN ROLE DESCRIPTION CODES OF PERFORMANCES

- 43.1. The following are the main role description of performances:
 - (a) Brass
 - (b) Electronics
 - (c) Guitar
 - (d) Keyboards
 - (e) Miscellaneous
 - (f) Non payable Roles
 - (g) Percussion
 - (h) String Instruments
 - (i) Studio Personnel (Performing)
 - (j) Vocals
 - (k) Wind Instruments

44. EVIDENCE SUPPORTING CLAIMS OF ELIGIBLE PERFORMANCES

44.1. To claim royalties as an eligible performer evidence must be provided in one of the following forms:

44.1.1. NON-FEATURED PERFORMANCES

- a. CD/DVD/record/tape sleeve inlay crediting performance;
- b. Official correspondence from the commissioning Record Company;
- c. Signed verification from the Contracted Performer;
- d. Notification of works form signed by all contributing parties showing the division of fees by all contributors.

44.1.2. CONTRACTED FEATURED PERFORMANCES

- a. A copy of the exclusive recording agreement with the commissioning record label under which the claimed track was recorded;
- b. Official correspondence from the record company confirming an exclusive contract with the commissioning record label at the time of the record label at the time of recording;
- c. Notification of works form signed by all contributing parties showing the division of fees by all contributors.

44.1.3. OTHER FEATURED PERFORMANCES

- a. A copy of the product sleeve front cover or spine showing the performer's name;
- b. Official correspondence from the Contracted Performer entitling the performer to receive royalties as a singer or musician and the level of entitlement;
- c. Notification of works form signed by all contributing parties showing the division of fees by all contributors.

44.1.4. PERFORMING PRODUCERS

- a. Evidence of a contract entitling the Producer to royalties.
- b. Notification of works form signed by all contributing parties showing the division of fees by all contributors.

45. SAMPLED RECORDINGS

45.1. A sampled recording is part of a pre-existing sound recording incorporated into a new sound recording.

46. ELIGIBLE SAMPLED PERFORMANCES

- 46.1. Only eligible performers on the sampled recording will qualify for payment on the new sound recording.
- 46.2. All eligible performers on the sampled sound recording will be added to the new sound recording as non-featured performances, by default. However, if any of the sampled performers are featured on the new sound recording, their contribution will be documented as Other Featured Performances.
- 46.3. Sampled performers are subject to the same rules regarding the provision of evidence of claims as other performers.

47. POOL DIVISION

- 47.1. Performing royalties collected in a fiscal year shall be allocated into the following pools:
 - a. Broadcasting
 - b. Cable Re-transmission
 - c. General

48. DISTRIBUTION PERFORMANCE CREDITS

48.1. RADIO

- 48.1.1. Those performances analysed for the radio broadcast distribution shall receive a full credit for each second performance. Where there is no available information on duration each performance shall receive 10 credits. There is no distinction between Theme, Station IDs, Bridge music and Jingle music used in commercial advertising, promotional or public service announcements.

48.2. TELEVISION CABLE AND SATELLITE

- 48.2.1. Licensing revenues from television, cable and satellite stations shall be distributed on the basis of cue sheets received. In the absence of reliable cue sheet information, distribution shall be on the basis of analogy with the radio broadcast returns;
- 48.2.2. the performances analysed for the television broadcast shall receive 2.5 times the weighting of radio performances

48.3. GENERAL PERFORMANCES

- 48.3.1. All net distributable revenue from domestic sources other than for radio and television shall be pooled and distributions shall be based on representative samples of programme returns received in respect of radio and television broadcasts and samples of recorded music used at licensed venues and events.

PART III
DIVISION B
DUBBING / DUPLICATION

49. DISTRIBUTION PRINCIPLES

- 49.1. COTT administers the duplication/dubbing right of its members. The dubbing/duplication right is defined as the re-recording for subsequent broadcast or public performance of pre-existing recordings.
- 49.2. Under the terms of COTT license agreements, licensees are contractually obliged to report details of performances reproduced for license fees to be calculated and distributed. Where a blanket license is issued details of the music usage should be supplied.
- 49.3. COTT distribution is based on the principle that the licence fees should be paid directly to the performances reproduced where possible to do so.

50. DISTRIBUTION METHODS

- 50.1. Distributions in relation to duplication may be on:
 - 50.1.1. **A Pay-per-use/sound recording-by-sound recording basis** - Licence fees are calculated and collected for each sound recording reproduced.
 - 50.1.2. **Direct Allocation** – blanket license fees are paid by the licensees and are allocated directly to the sound recordings used by that licensee.
 - 50.1.3. **Sample/Direct allocation** – license fees are paid in accordance with the sample reporting system in place.

51. UNIDENTIFIED WORKS

- 51.1. See Rule 9.

52. SOURCES OF REVENUE

- 52.1. Distributable revenue means gross license fees collected, less COTT administrative fees

- 52.2. The main license categories are:
 - a. Broadcast Dubbing;
 - b. Commercial dubbing.
- 52.3. There are two categories of distributable revenue:
 - a. Work-by-work/Pay per use;
 - b. Blanket pools.

53. DISTRIBUTION METHODS

- 53.1. Broadcast Dubbing - royalties are distributed based on returns from broadcasters.
- 53.2. Commercial Dubbing – royalties are distributed on a pay-per-use basis based on licensing information provided.

PART III
DIVISION C
REPRODUCTION RIGHTS

54. DISTRIBUTION PRINCIPLES

- 54.1. COTT administers the recording rights of its members such that where there is no exclusive agreement for the recording of the live performance, the recording of these performances is licensed by COTT.
- 54.2. Licensees are contractually obliged to report details of all performances recorded in order that licence fees are calculated and distributed.
- 54.3. Under the terms of COTT license agreements, licensees are contractually obliged to report details of performances recorded for license fees to be calculated and distributed. Where a blanket license is issued details of the music usage should be supplied.
- 54.4. COTT distribution is based on the principle that the licence fees should be paid directly to the performances reproduced where possible to do so.

55. DISTRIBUTION METHODS

- 55.1. Distributions in relation to recorded rights are based on a pay-per-use/performance-by performance basis. Licence fees are calculated and collected for each performance recorded.
- 55.2. **Direct allocation** – blanket license fees are paid by the licensees and are allocated directly to the performances used by that licensee.
- 55.3. **Sample/Direct allocation** – license fees are paid in accordance with the sample reporting system is in place.

56. UNIDENTIFIED WORKS

- 56.1. Rule 9 shall apply.

57. DEDUCTIONS

57.1. COTT is entitled to deduct and retain the following commission:

57.1.1. from all fees, royalties and other sums received in respect of the licensing of recording rights:

- a. A commission rate of **15%** in respect of audio products
- b. A commission rate of **20%** in respect of all other sources of reproduction rights income

57.2. Such rates of commission may be varied at any time at the discretion of the Board but shall not exceed 20%

57.3. Deductions from Affiliated societies will be in accordance with the terms of reciprocal agreements.

57.4. All commissions deducted under Rule 59.1 above shall be credited to the Recording Rights Account.

58. SOURCES OF REVENUE

58.1. Distributable revenue means gross license fees collected, less COTT commission see Rule 57.1

PART IV

MASTER RIGHT REPRODUCTION - DIGITAL

The following provisions apply to eligible producers of phonograms whose rights are administered by COTT.

59. DISTRIBUTION PRINCIPLES

- 59.1. Eligible producers are individuals who hold the copyright in Master Recordings or are members of COTT and have already exclusively licensed specific rights in the Master Recordings to COTT. These producers have engaged COTT to license certain aspects of the reproduction and performing rights of their Master Recordings in an Online environment under the terms outlined in the **COTT Digital Master Rights Licensing Agreement**.
- 59.2. Licensees are contractually obliged to report details of all works reproduced in order that licence fees are calculated and distributed.
- 59.3. Under the terms of COTT license agreements, licensees are contractually obliged to report details of sound recordings performed and/or reproduced in order for license fees to be calculated and distributed. Where a blanket license is issued details of the music usage should be supplied.
- 59.4. COTT's distribution is based on the principle that the licence fees should be paid directly to the sound recordings reproduced where possible to do so.

60. DISTRIBUTION METHODS

- 60.1. COTT distribution methods in relation to master recordings are based on a pay-per-use/sound recording-by-sound recording basis. Licence fees are calculated and collected for each work reproduced.
 - 60.1.1. **Direct allocation** – blanket license fees are paid by the licensees and are allocated directly to the sound recordings used by that licensee.
 - 60.1.2. **Sample/Direct allocation** – license fees are paid by a single licensee. There is a sample reporting system in place.

61. SOURCES OF REVENUE

- 61.1. The following are the principal sources of revenue:
- a. Streaming Transmissions (in all forms including webcasts and background music);
 - b. Digital Downloads;
 - c. Online Custom compilations;
 - d. Ring tones, real tones etc;
 - e. Online Videogram licences

62. DEDUCTIONS

- 62.1. COTT is entitled to deduct and retain the following commission from:
- 62.1.1. Members: 15% of all fees, royalties and other sums received in respect of the licensing of digital master rights;
 - 62.1.2. Affiliated societies in accordance with the terms of reciprocal agreements.
- 62.2. All commissions deducted under Rule 62.1 above shall be allocated towards administrative expenses.

63. FREQUENCY AND TIMING OF DISTRIBUTIONS

- 63.1. Distributions shall only be made for invoices which are paid in full and shall be distributed twice yearly in respect of licence fees collected during the preceding year and such distribution may be 6 months apart.
- 63.2. Supplementary distributions may be made
- 63.3. Royalties payable to members which do not exceed TT\$100.00 and US\$100.00 respectively for local members and foreign affiliates will be withheld and distributed in the next distribution when the minimum level of royalties has been accumulated.

PART V

PRODUCTION MUSIC – LIBRARY

64. DISTRIBUTION PRINCIPLES

- 64.1. The following provisions apply to affiliates who own or control the copyright in Production Music or is a member of COTT and has already assigned to COTT the reproduction right and performing right in Musical Works comprised in Production Music and, in either case, owns or controls the copyright and the physical property in a sound recording of such Production Music.
- 64.2. Under the terms of COTT license agreements, licensees are contractually obliged to report details of works reproduced in order for license fees to be calculated and distributed. Where a blanket license is issued details of the music usage should be supplied.
- 64.3. COTT distribution is based on the principle that the licence fees should be paid directly to the musical works and sound recordings reproduced where possible and economically viable to do so.

65. DISTRIBUTION METHODS

- 65.1. COTT distribution methods in relation to production music are based on a pay-per-use basis of the work and sound recording. Licence fees are calculated and collected for each work and sound recording reproduced.
 - 65.1.1. **Direct allocation** – blanket license fees are paid by the licensees and are allocated directly to the musical works and sound recordings used by that licensee.
 - 65.1.2. **Sample/Direct allocation** – license fees are paid in accordance with the sample reporting system is in place.

66. SOURCES OF REVENUE

- 66.1. The following are the principal sources of revenue:
 - a. Advertisements;
 - b. Digital Delivery Platforms;
 - c. Television and radio programmes;
 - d. Cinema;
 - e. Music on hold;

- f. Audio-visual productions (on disc, tape or other devices); (g) Audio only productions

67. DEDUCTIONS

- 67.1. COTT is entitled to deduct and retain the following commission from:
 - 67.1.1. Members: 20% of all fees, royalties and other sums received in respect of the licensing of production music;
 - 67.1.2. Affiliated societies in accordance with the terms of reciprocal agreements.
- 67.2. All commissions deducted under Rule 67.1 above shall be allocated towards administrative expenses.

68. FREQUENCY AND TIMING OF DISTRIBUTIONS

- 68.1. Distributions shall only be made for invoices which are paid in full and shall be distributed twice yearly in respect of licence fees collected during the preceding year and such distribution may be 6 months apart.
- 68.2. Supplementary distributions may be made
- 68.3. Royalties payable to members which do not exceed TT\$100.00 and US\$100.00 respectively for local members and foreign affiliates will be withheld and distributed in the next distribution when the minimum level of royalties has been accumulated.

PRODUCTION MUSIC - GENERAL

69. DISTRIBUTION PRINCIPLES

- 69.1. Licensed on a pay-per-use basis or blanket basis.
- 69.2. If licensed on a pay-per-use basis each work receives 0.5 credit point per 30 seconds or part thereof. If there is no information as to duration, fees are distributed equally on a song occurrence basis.
- 69.3. If licensed on the basis of a blanket license each work receives 0.5 credit point per 30 seconds or part thereof. If there is no information as to duration, fees are distributed equally on a song occurrence basis.

70. DISTRIBUTION METHODS

- 70.1. Rule 68. will apply

71. SOURCES OF REVENUE

- 71.1. Rule 69. will apply

72. DEDUCTIONS

- 72.1. Rule 67. will apply

73. FREQUENCY & TIMING OF DISTRIBUTIONS

- 73.1. Rule 71. will apply

PART VI

MUSIC VIDEOS

74. DISTRIBUTION PRINCIPLES

- 74.1. The following provisions apply to affiliates and members who own or control the copyright and the physical property in music videos and have entered into a licence agreement.
- 74.2. Under the terms of COTT license agreements, licensees are contractually obliged to report details of works reproduced in order for license fees to be calculated and distributed. Where a blanket license is issued details of the music usage should be supplied.
- 74.3. COTT distribution is based on the principle that the licence fees should be paid directly to the music video reproduced where possible and economically viable to do so.

75. DISTRIBUTION METHODS

- 75.1. COTT distribution methods in relation to music videos are based on a pay-per-use/work-by-work basis. Licence fees are calculated and collected for each music video reproduced.
 - 75.1.1. **Direct allocation** – blanket license fees are paid by the licensees and are allocated directly to the music video used by that licensee.
 - 75.1.2. **Sample/Direct allocation** – license fees are paid in accordance with the sample reporting system is in place.

76. SOURCES OF REVENUE

- 76.1. The following are the principal sources of revenue:
 - a. Broadcast & Duplication;
 - b. Public Performance;
 - c. Online;
 - d. Mobile and New Media
- 76.2. Broadcast and duplication revenue will be treated as one set of revenue and distributed together.

77. DEDUCTIONS

77.1. COTT is entitled to deduct and retain the following commission from:

77.1.1. Members: 20% of all fees, royalties and other sums received in respect of the licensing of music videos;

77.1.2. Affiliated societies in accordance with the terms of reciprocal agreements.

77.2. All commissions deducted under Rule 77.1 above shall be allocated towards administrative expenses.

78. DISTRIBUTION – MUSIC VIDEOS [GENERAL]

78.1. COTT's commission shall be 20% of the fees it actually receives, and it shall deduct such commission together with any expenses for which it is liable, such as, but not limited to mechanical fees and royalties, from such fees before payment of any monies under this rule.

79. FREQUENCY AND TIMING OF DISTRIBUTIONS

79.1. Distributions shall only be made for invoices which are paid in full and shall be distributed twice yearly in respect of licence fees collected during the preceding year and such distribution may be 6 months apart.

79.2. Supplementary distributions may be made

79.3. Royalties payable to members which do not exceed TT\$100.00 and US\$100.00 respectively for local members and foreign affiliates will be withheld and distributed in the next distribution when the minimum level of royalties has been accumulated.