



Irish Music Rights Organisation
Company Limited By Guarantee

The background of the page is white with a large, abstract graphic of multiple overlapping, wavy lines in yellow, green, blue, and red, creating a sense of movement and rhythm. The lines flow from the top right towards the bottom left, then curve back towards the right.

GENERAL DISTRIBUTION POLICIES

2017

in accordance with
European Union
(Collective Rights
Management) (Directive
2014/26/EU) Regulations
2016 Section 6 (a) to (e)

The image features a solid blue background with several thick, wavy, overlapping lines in shades of yellow, green, cyan, and red. These lines flow from the top left towards the bottom right, creating a sense of movement and depth. The lines are of varying thickness and curve, some forming loops and others tapering off.

imro

DISTRIBUTION POLICIES

Distribution policies are reviewed by the Distribution Committee of the Board and then finally approved by the Board.

The detailed board approved distribution policies and schedules are published on the company website and the links are detailed below:

<https://www.imro.ie/about-imro/imro-distribution-policies/>

<https://www.imro.ie/music-creators/royalty-distribution-schedule/>

The following section provides the general policy on the distribution of amounts due to rightholders, on non-distributable amounts, the general investment policy and use of any investment income, the general policy on deductions from rights revenue and the use of non-distributable amounts in accordance with European Union (Collective Rights Management) (Directive 2014/26/EU) Regulations 2016 and will be submitted to the annual general meeting who shall decide upon these matters.

i. Broadcast Royalties

IMRO receives royalties from all Irish broadcasters. In the main the royalties from broadcasting are analysed on a Census Basis.

Census Basis means that all music cues and durations are remitted by the licensee which in turn means royalties received from an individual customer are distributed 100% across the music used and reported by that customer.

Television

Television royalties are distributed by IMRO quarterly in April, July, October and December. Based on analysis of independently commissioned media monitoring data, IMRO policy is to split television royalties in the following manner

- **85% of net revenue is distributed to the music used in general programming**
- **15% of net revenue is distributed across advertising data**

This split reflects the duration of music used in general programming and advertising and is reviewed periodically.

National Television - General

There are five national TV stations in Ireland, RTÉ 1, RTÉ 2, TV3, TG4 and Be3. Each station returns complete transmission logs and these are analysed on a census basis. The royalties received from each station are distributed four times a year. A separate distribution pool is created from each station and the royalties received from that station are distributed across the music reports returned by that station.

85% of the net revenue received is distributed across 'General Music' i.e. the music used within all TV programmes, promos etc.

National Television – Advertising

15% of the revenue in each station is reserved for an 'Advertising Music' pool as the music returns for adverts are processed separately.

Local/Cable Television

There are very few indigenous cable-only stations in Ireland. Where economically feasible, IMRO's policy is to distribute royalties on a census basis.

Cable Re-Transmission

IMRO licenses cable operators and satellite broadcasters for the cable re-transmission of overseas stations in Ireland. IMRO passes the royalties it collects for these stations to the society in the territory of original broadcast e.g. the royalties collected by IMRO for the re-transmission of BBC channels is passed to PRS which is then added to the main BBC PRS pools, having taken account of domestically published and sub-published works.

Radio

Radio royalties are distributed by IMRO quarterly in April, July, October and December.

Based on analysis of independently commissioned media monitoring data, radio royalties are split in the following manner:

- **85% of net revenue is distributed to the music used in general programming**
- **15% of net revenue is distributed across advertising data**

This split is based on the Broadcasting Authority of Ireland (BAI) rules on advertising and teleshopping which specifies that the total daily time for broadcasting advertising spots shall not exceed a maximum of 15 per cent of the total broadcast day.

National / Quasi – National Radio – General

There are 6 national/quasi-national radio stations in Ireland; RTÉ Radio 1, RTÉ 2fm, Radio Na Gaeltachta, Lyric FM, Today FM, and Newstalk. Each station returns complete transmission logs and these are analysed on a census basis. The royalties received from each station are distributed quarterly. A separate distribution pool is created for each station and the royalties received from that station are distributed across the music reports returned by that station.

National / Quasi – National Radio – Advertising

The advertising logs for each of the stations are processed separately. 15% of net revenue is reserved to fund each advertising distribution pool (with the exception of RnaG as it carries no advertising).

Regional / Independent Local Radio – General

There are 31 Regional, Multi City and Independent Local Radio stations in Ireland. The royalties received from each station are distributed four times a year. A separate distribution pool is created from each station and the royalties received from that station are distributed across the music reports returned by that station.

Regional / Independent Local Radio – Advertising

The advertising logs for each of the stations are processed separately. 15% of net revenue is reserved to fund each advertising distribution pool.

Digital Radio

There are 6 digital radio stations in Ireland. This includes RTE Junior, RTE Gold, RTE 2XM, RTE Pulse and RTE Chill. As digital radio is in its infancy in Ireland and as the revenue received from this source is very modest no direct distributions take place and currently the revenue received from this station is distributed pro-rata across the 4 RTE radio channels. At present, no advertising is carried on these stations.

Community Radio

There are a range of community radio stations and other stations that will from time to time receive temporary broadcast licenses. The revenue from these stations is distributed 50% across the RTÉ Radio 1/Lyric/RnaG General Music pool and 50% across the RTÉ 2FM General Music pools.

ii. Cinema Royalties

Cinema royalties are distributed by IMRO once a year in July.

Based on extensive analysis of music usage within cinemas royalties are split on the following basis:

- **1% of gross revenue is reserved and added to the Background Music Shops & Bars pool**
- **95% of net revenue is distributed to the music used in the relevant films**
- **5% of net revenue is distributed across advertising data**

Cinema - Mainstream

Mainstream cinema royalties are distributed on the basis of box office figures returned by Rentrak EDI. Rentrak EDI collects box-office information from all cinema operators in Ireland and compiles the official box-office charts. The relevant cue sheets are secured from IMRO's members and from IMRO's affiliates.

The mainstream cinema pool is made up of 90% net revenue received from all cinemas in Ireland (excluding the IFI Cinema in Dublin).

Cinema – Art-house

Revenue from the IFI Cinema in Dublin makes up the Arthouse cinema pool. The royalties are distributed on the basis of performance logs returned by the IFI.

Cinema Advertising

Cinema advertising royalties are distributed on the basis of advertising logs provided by Wide Eye Media which has 100% site coverage in Ireland through all the major cinema exhibitors and through many independent operators.

iii. Live Royalties

As with broadcast royalties, IMRO strives to distribute live royalties as much as possible across actual usage data.

There are three main distribution pools for Live royalties. They are:

- **Invoiced Live Events**
- **Tours and Residencies Scheme**
- **Live Music Survey**

The frequency of live royalty distribution ranges from monthly to quarterly depending on the source of the revenue.

Invoiced Live Events

Invoiced Live Events are gigs and concerts where a specific invoice has been raised for the event. On these occasions, IMRO will ring-fence the royalties collected for distribution across the actual set-lists used at the event.

IMRO collects set-lists from music promoters, members and sister societies. Once the set-list has been received and the invoice has been paid, IMRO distributes these royalties within a month.

If after a three-year period IMRO has been unable to secure a relevant set-list, the royalties are distributed via the Live Music Survey.

Tours and Residencies Scheme

The Tours & Residencies scheme allows IMRO's members and affiliates to report all gigs they have performed in a quarter. The members and affiliates are required to submit both a Gig-List (a list detailing the date and venue of their performances) and a Set-List.

Live Music Survey

The royalties collected from all other live performances (i.e. not specifically invoiced or Tours & Res performances) are distributed on the basis of IMRO's Live Music Survey. This survey of live performances in pubs, hotels & restaurants around the country is carried out on IMRO's behalf by an independent market research company.

There are a number of safeguards in place to ensure the validity, accuracy and representativeness of the survey.

- **The target of 800 visits per annum is set on a county by county basis (based on the number of venues in the county)**
- **The survey takes place throughout the year to account for seasonal changes**
- **Any reviewer should not see a performer more than once during any six-month period**
- **Reviewers should not visit the same venue more than once a month**
- **All new reviewers are spot checked within first five reviews**
- **All reviewers completing over ten reviews are spot checked**

9 months' worth of survey data is used in any distribution period.

Background Music

The royalties from a range of sources for 'background' music is distributed over a number of different analogies. Generally, background uses are made up of the public performance of Radio or Television in a premises or by mechanical means, e.g. CD, Tape, MP3 player etc.

An analogy is a statistically sound and cost effective way to ensure that the correct mix of music is reflected in royalty payments to writers and publishers. These analogies are devised by first carrying out a survey of actual usage in the relevant type of premises e.g. Shops and Bars and then comparing the results with data already available to IMRO using an independently commissioned mathematical formula;

this data will include sales charts, transmission logs from certain broadcasters etc. This comparison seeks to find degrees of similarity between the music captured in the actual survey and the data IMRO already has to hand.

These analogies are reviewed periodically.

Public Reception

This refers to the public performance of music by means of a television or radio by an IMRO customer.

Where an IMRO customer pays a TV tariff, the royalties are added pro-rata to all licensed television station pools (including cable re-transmitted channels) and distributed as part of the quarterly broadcast distribution.

Where an IMRO customer pays a Radio tariff, the royalties are added pro-rata to all licensed radio station pools and distributed as part of the broadcast distributions.

Where an IMRO customer pays a combined background tariff e.g. for the use of a CD player and/or a radio and/or a TV, then two-thirds of this revenue will be treated as recorded revenue and distributed on the same basis as 'Background Music – Shops & Bars' (see below) while one-third will be added pro-rata to all licensed television and radio station pools (including cable re-transmitted channels) and distributed as part of the broadcast distribution in April, July, October and December.

Background Music – Shops & Bars – Recorded Music

Where an IMRO customer (shop owner or pub owner) pays a background mechanical tariff for the use of a CD player, MP3 player or juke-box etc. then the royalties are distributed via the Shops & Bars analogy. This analogy is collected quarterly using data from album charts and matched data from specific radio stations.

Background Music – Hotels & Restaurants – Recorded Music

Where an IMRO customer (hotel owner or restaurant owner) pays a background mechanical tariff for the use of a CD player, MP3 player or juke-box etc. then the royalties are distributed via the Hotels & Restaurants analogy. This analogy is collected quarterly using data from album charts and matched data from specific radio stations.

Commercial Discos

A specific analogy is used to distribute royalties collected from Commercial Discos.

Digital Royalties

IMRO distributes royalties collected from a range of local MSPs (Music Service Providers).

Given the emergent nature of this market and the large volume of data to be processed, general distribution policies are set but are reviewed on a case by case basis.

IMRO has partnered with a number of affiliated societies (PRS, SACEM) to offer licenses to multi-territorial MSPs. Therefore, for pan-European services, IMRO members will receive the majority of their digital royalties as overseas income.

Music Downloads

All reported downloads from licensed MSPs are 'auto-matched'. Unmatched downloads that have been sold three times or more will be 'manually matched'. The total royalties collected will be distributed across all matched downloads.

Ringtones

All reported ringtones from licensed Ringtone Providers are 'auto-matched'. Unmatched ringtones that have been sold two times or more will be 'manually matched'. The total royalties collected will be distributed across all matched ringtones.

Music Streaming

Irish-focused services are licensed on a blanket basis and revenues are distributed in a cost-efficient manner by data-matching online usage reports against repertoire.

Video Streaming

Video on demand services are licensed on a blanket basis and revenues are distributed in a cost-efficient manner by data matching video on demand usage reports against repertoire.

Royalties from Overseas

IMRO is committed to forwarding international royalties to its members in the shortest possible time. With 12 payment runs a year (January to December), IMRO is at the forefront internationally of providing the most frequent distribution of overseas royalties to its members.

All royalties received from an overseas sister society before the 20th of a given month are forwarded to our members by the 15th of the following month.

International Standards

IMRO is a member of CISAC (International Confederation of Societies of Authors and Composers), an umbrella group for collecting societies. As a member IMRO has signed up to CISAC's professional rules; a code of conduct covering areas such as Governance, Membership and Transparency. In relation to Distribution, the Professional Rules set out a range of Binding Resolutions and Best Practices that IMRO fully adheres to.

Non-Distributable Amounts

Non-distributable amounts consist of amounts earned from ancillary services in the past which are classified as retained earnings. They are not specifically attributable to any revenue stream.

Investment Policy

Investment income typically includes interest earned from undistributed monies placed on deposit with Bank of Ireland. All investment income earned increases amounts available for distribution.

Costs Deducted

The costs of doing business are classified as direct or indirect in nature and are allocated using the following bases:

- Direct costs are allocated to the revenue to which they directly related using the Activity Based Costing (ABC) methodology.
- Indirect costs are allocated proportionately in line with the allocation of direct costs so as to reflect the actual cost behaviour in the company.
- Costs attributable to ancillary services are allocated directly to the revenue streams to which they relate with any contribution from these services being added proportionately to distributable revenue.
- Social and cultural deductions are made from distributions to affiliated societies who reciprocate the deduction and are used to reduce operating costs resulting in an increase in distributable revenue.

All costs are categorised as operating and financial costs and are covered by company resources.



NOTES







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