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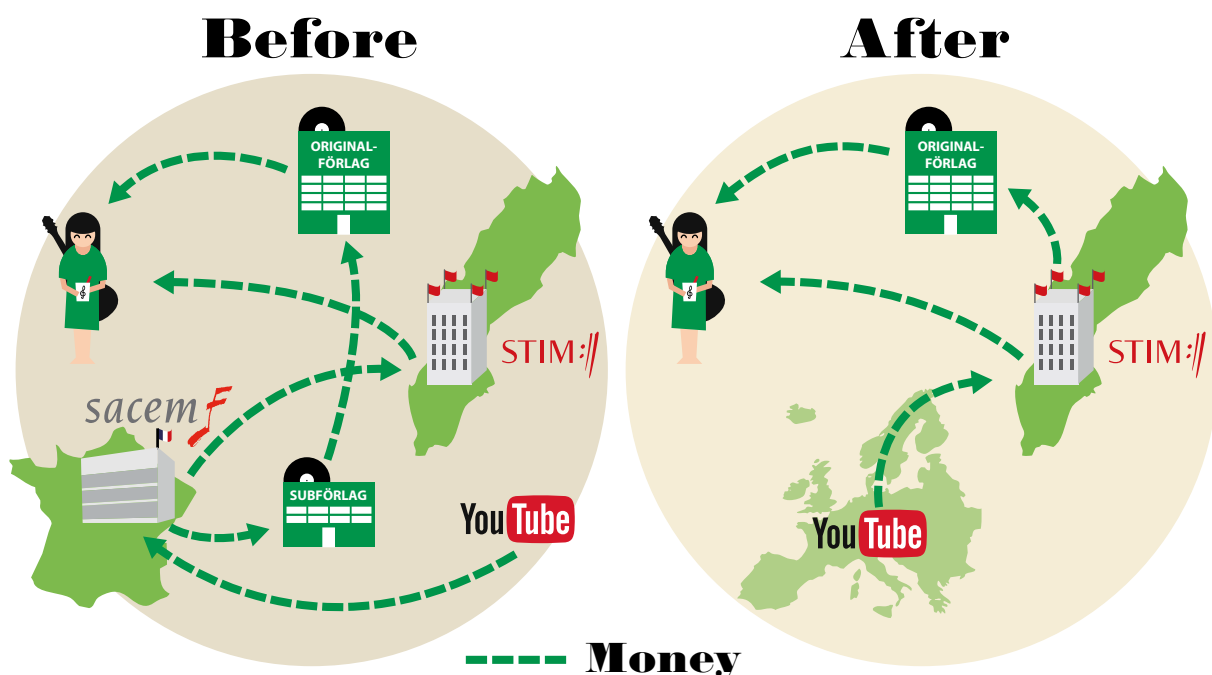
## 1. Background

This newsletter contains information about STIMs processing of new royalty streams from digital music services in Europe. Stim is constantly developing its services to be able to distribute royalties swiftly, regardless of which territory the monies are derived from.

The purpose of STIMs direct licensing is to streamline, shorten and simplify the distribution of copyright fees from the music service to the rights holder with a minimum number of intermediaries, effectively creating lower costs for rights holders.

## 2. Royalty streams

The diagrams below illustrate the old system versus the new system. Note that the diagrams only represent the online market and at present only Youtube. All other markets are licenced throughout Europe in the usual manner.



### 3. What do I need to do as a writer?

Here it is business as usual. No action is required. Be prepared to receive foreign earnings in record time.

### 4. What do I need to do as a publisher?

In accordance with distribution regulations entitling STIM to directly license foreign ISPs we have offered all our music publisher members the opportunity to receive direct payments of all income (both performing and mechanical) collected through STIM's Pan-European direct licensing.

This is an alternative to receiving royalties, as previously, through sub-publishers in each country. In order to receive direct payments, it is necessary for you to sign and send in the Payment Notification Form sent to you previously (also available from Publishers Services, publisher@stim.se). This means in practice that you authorize STIM to pay out royalties directly to you, the original publisher, for all territories.

### 5. Principles of licensing and royalty payments under the new system

Below we have outlined some examples of how licensing and payments are to be executed, dependent upon the division of shares and society rules. Please note that these examples are generic and show standard percentage shares for a musical work written by a single writer.

#### Example 1 (Unpublished work)

Stim licenses all territories in Europe and pays royalties to the writer directly.

Copyright holder	Performing	Mechanical
CA Stim Composer, Author	100%	100%

#### Example 2 (Published work)

If the work is contracted to a music publisher Stim will license all territories in Europe and pay royalties directly to the writer and the music publisher.

Copyright holder	Performing	Mechanical
CA Stim Composer, Author	66%	66%
E Stim Original Publisher	33%	33%

#### Example 3 (Published work)

If the work is contracted to a music publisher registered with a foreign society Stim licenses all territories in Europe and will pay royalties directly to the writer and to the music publisher's collecting society.

Copyright holder	Performing	Mechanical
CA Stim Composer, Author	66%	66%
E Foreign Publisher	33%	33%

#### Example 4a (Sub-published work with 100% mech) – Without authorization for direct payment through signed payment notification form

If the work is sub-published in territories in Europe Stim will license all territories and will pay royalties directly to the writer and to the respective sub-publisher's collecting society .

Copyright holder	Performing	Mechanical
CA Stim Composer, Author	50%	0%
E Stim original publisher	0%	0%
SE sub-publisher	50%	100%

#### Example 4b (Sub-published work with 50% mech) – Without authorization for direct payment through signed payment notification form

If the work is sub-published in territories in Europe Stim will license all territories and will pay royalties directly to the writer and to the respective sub-publisher's collecting society .

Copyright holder	Performing	Mechanical
CA Stim Composer, Author	50%	50%
E Stim original publisher	0%	0%
SE sub-publisher	50%	50%

### **Example 5a (sub-published work with 100% mech) – with authorization for direct payment through signed payment notification form**

If the work is sub-published in territories in Europe Stim will license all territories and will pay royalties directly to the writer and to the original publisher member.

<b>Copyright holder</b>	<b>Performing</b>	<b>Mechanical</b>
CA Stim Composer, Author	50%	0%
E Stim original publisher	50%	100%
SE sub-publisher	<del>50%</del>	<del>100%</del>

### **Example 5b (sub-published work with 50% mech) – with authorization for direct payment through signed payment notification form**

If the work is sub-published in territories in Europe Stim will license all territories and will pay royalties directly to the writer and to the original publisher member.

<b>Copyright holder</b>	<b>Performing</b>	<b>Mechanical</b>
CA Stim Composer, Author	50%	50%
E Stim original publisher	50%	50%
SE sub-publisher	<del>50%</del>	<del>100%</del>

## **6. How many viewings are necessary to generate royalties (YouTube)?**

The amount of views required to generate royalties varies depending upon the amount of resources required to process identification of the musical work. Provided that the YouTube music reports contain necessary details required to identify the musical work it is possible to distribute royalty amounts based on an approx minimum of 5,000 viewings per month per country. Music in videos that cannot be automatically matched will require manual work. A minimum of 30,000 views per month per country is required to generate royalties for musical works which are only identified through manual procedures. Please note that the number of views shown by Youtube beneath video is the total amount viewed globally since the video was first uploaded to Youtube.

## **7. Other (YouTube)**

If the musical work is released – either via an aggregator or a record company – will greatly improve the possibilities for YouTube to identify the work in videos on Youtube.

When registering your works with STIM, via the website, it is very important to also register the name of the Artist/Group, this greatly improves the possibility for Stim to identify the work in the music reports received from YouTube.