



## **BIEM AND IFPI RENEW THE STANDARD CONTRACT ON ROYALTY PAYMENTS TO AUTHORS' COLLECTING SOCIETIES**

*London, 2<sup>nd</sup> December 2013* – The international organisations representing authors' collecting societies and record companies, BIEM and IFPI, have reached a new standard agreement on royalty payments for physical formats.

IFPI CEO Frances Moore and the President of BIEM, Mr Georg Oeller, have agreed on the official revival of the Standard Contract, starting from 1st January 2014.

Both BIEM, the International organisation of the Mechanical Rights Societies, and IFPI, representing the recording industry worldwide, welcome the conclusion of this new agreement and the restoration of their contractual relationships.

The agreement regulates the royalty payments from record companies to authors' collecting societies in continental Europe for the recording of musical works on to sound recordings.

An earlier Standard Contract between BIEM and IFPI ended in June 2000, without being renewed. Since then, the applied terms and conditions were maintained unchanged in order to assure the continued exploitation of BIEM Members' repertoire.

Under the terms now agreed, BIEM and IFPI have adjusted the effective rate from 9.009 percent of PPD to 8.712 per cent. The change is due to an agreed increase in the so-called discount allowance. Other terms of the old BIEM/IFPI Standard contract remain unchanged.

On the basis of this agreement, BIEM and IFPI will continue to cooperate on a fair and reliable basis in the licensing of sound recordings, taking account of developments in the physical market.

“By signing the new contract, we have been able to standardise the basis for the licensing of sound recordings in Europe once more. Clear international structures will allow us to continue safeguarding royalties for our copyright holders” said Mr Georg Oeller. He added: “It would not have been possible to agree on this new contract without the consistent negotiations conducted by my predecessors, Thierry Desurmont and Ronald Mooij.”

IFPI CEO Frances Moore said: “Even with the rapid transformation of the music industry and the growth of new digital services, the CD format is still liked by many consumers. We are pleased to have reached this agreement with BIEM. It helps clarify the royalty

payments structure in what remains an important sector of the music industry internationally.”

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### **Notes to editors:**

#### **About IFPI**

IFPI is the organisation that promotes the interests of the international recording industry worldwide. Its membership comprises some 1,400 major and independent companies in 66 countries. It also has affiliated industry national groups in 55 countries. IFPI's mission is to promote the value of recorded music, safeguard the rights of record producers and expand the commercial uses of recorded music in all markets where its members operate.

Twitter handle: @IFPI\_org

#### **About BIEM**

BIEM was founded in 1929 and represents 55 mechanical right societies across 59 countries ([www.biem.org](http://www.biem.org))