

REPARTITION KEYS

INDEX

1. Works controlled by ACUM
2. Characters table
3. Work statement
4. Allocation of shares
5. Distribution guidelines for a musical work with or without arrangement and/or adaptation
6. Distribution guidelines of a musical work with new lyrics
7. Publishing guidelines
8. Distribution rights in popular music
9. Distribution rights in a musical work with music arrangement
10. Distribution rights in a musical work with lyric adaptation
11. Distribution rights in a musical work with new lyrics
12. Distribution rights in a literary work.
13. Distribution rights in serious and Dramatico-musical works
14. Dispute Resolution Procedure
15. Dispute Resolution Procedure between publishers (Counter Claim)
16. Adjustments

1. Works controlled by ACUM

1.1. ACUM controls works that can be defined as small rights according to the following:

1. Musical work such as a song, serious music etc.
2. Musical work incorporated into an original Musical.
3. Musical work originally written for a Musical, Play & Opera and recorded under the condition that it **is not** the complete composition.
4. Literary work such as poetry, prose, etc.
5. Recitation in children's recordings.

1.2. The following types of works are excluded from ACUM's control

1. Dramatic or Dramatico-musical works: the **entire** musical theatrical performance (such as show, play, opera, musical including songs written specifically) which are defined as grand rights.
2. Literary works: book, complete novel or a compilation of works which all have the same writer.
3. TV and cinema script based upon a literary work.
4. TV script: drama or programs compiled of skits and satire.
5. Dubbed screenplay
6. Cinema screenplay.
7. Moderating words.
8. Audio-visual/stage performances of skits and stand-up.

2. Characters Table

TYPE	WORK DESCRIPTION	CHARACTER	Included RIGHTS	Excluded IGHTS
Mus.	Karaoke cellular	KA	X	
Mus.	Mailbox cellular	MB	X	
Mus.	Ringtone	RT	X	
Mus.	Song and message cellular	SA	X	
Mus.	Station IDS	09		X
Mus.	Program IDS	10	X	
Mus.	Interlude	11	X	
Mus.	Commercial Jingle	12		X
Mus.	Music for films	13	X	
Mus.	Station Promo	14		X
Mus.	Light music (without lyrics)	15	X	
Mus.	Promo	16	X	
Mus.	Library work	20	X	
Mus.	Instrumental music for dance/electronic music	25	X	
Mus.	Songs, pop, rock and etc.	30	X	
Mus.	Acapella for 3 voices	36	X	
Mus.	Jazz	40	X	
Mus.	Chamber music 1-2 instr.	50	X	
Mus.	Chamber music 3-11 instr.	51	X	
Mus.	Acapella for choir	53	X	
Mus.	Electro-acoustic	55	X	
Mus.	Musical	56		X
Mus.	Symph. /Chamber music For 12 instr. & more	57	X	
Mus.	Dramatico-musical works	58		X
Liter.	Song and message	SA	X	
Liter.	Commercial Jingle	12		X
Liter.	Promo	14		X
Liter.	Documentary/didactical TV or radio play	20		X
Liter.	*Children Story	30	X	
Liter.	TV script for child/youth	31		X
Liter.	Dubbing	32		X
Liter.	*Recitation	33	X	
Liter.	Audiovisual Skit	40		X
Liter.	Skit (only for radio broadcast)	41	X	
Liter.	*Literature (non- fiction)	45	X	
Liter.	*Prose	50	X	
Liter.	*Storyteller	51	X	
Liter.	*Poetry	55	X	
Liter.	Dramatic works in prose	60		X
Liter.	TV series script	65		X
Liter.	TV drama and radio play	66		X
Liter.	Dramatico-Musical work	71		X
Liter.	*Poetry	72	X	

* Represented partially by ACUM

3. Work statement

- 3.1. The member has to declare all new published works. The declaration should be on a manual or computerized form specifically for this purpose. This declaration is legally binding confirming that the writer has written, composed, arranged and/or adapted the work.
- 3.2. Royalty's payment to the shareholder will be subject to a declaration on his works. ACUM is authorized to suspend any royalty payments until the declaration has been submitted.
- 3.3. The society will do its best to inform the shareholder of his duty as stated above.
- 3.4. If the society has not received a declaration from its member, after sending notification. After three years from the date of notification, the Board of Directors can reallocate the amount for distribution. Notwithstanding the foregoing, the Board of Directors is authorized to transfer these amounts to any of the society's funds - under clause 55.1 (8).

4. Allocation of shares

- 4.1. Although ACUM allocates its members shares according to the distribution key, the members can decide amongst themselves on a different split as outlined.
Under no circumstances can the publisher claim more than 50% of the entire work.
A copy of the agreement between all the shareholders must be sent to ACUM. Any change in the split as a result of this agreement **shall not apply retroactively** for the royalties that were already distributed or in the case that ACUM has received the agreement adjacent to the distribution dates.
- 4.2. The rules in this document apply to local repertoire. Regarding foreign repertoire, these rules will apply only if ACUM has not received information from the local publisher or the writer's society.
Under no circumstances will the writer's share be less than 50% in accordance with CISAC regulations.
- 4.3. When there is a publishing agreement with the writer, the publisher's share shall not be larger than the writers share.
- 4.4. The registration of the shareholders share (composer, author and publisher is conditional to a signed declaration.
- 4.5. The rules are applied to performing and mechanical rights, unless otherwise noted.
- 4.6. Total shares of the work (percentage) are 100%.

5. Distribution guidelines of a musical work with or without arrangement and/or adaptation

- 5.1. **The arranger** is entitled to a share subject to written approval from the composer. In case the composer is deceased, permission must be obtained by the composer's inheritors. The arranger will be entitled to receive royalties for his share from the day approval is registered in ACUM.
- 5.2. **If the work** is composed and arranged solely by the same writer - the composer receives the full share according to his declaration.
- 5.3. If the work is written by several composers and one of them is also the arranger - the composer receives his share subject to the approval of the other writers.
- 5.4. **The adaptor's share** will be registered subject to written approval from the author. In case the author is deceased, permission must be obtained by the author's inheritors. The adaptor will be entitled to receive royalties for his share from the day approval is registered in ACUM.
- 5.5. **New music arrangement or text based on existing arrangement** – the new arranger's share will be registered subject to written approval from the original arranger and the composer or author (respectively). The arranger's shares will be divided equally between both arrangers.
- 5.6. **Music arrangement or adaptation of lyrics commissioned by a third party**, whereas the original shareholder is unknown, the arranger will receive his share subject to his signed statement. On his statement, the arranger is committed to reimburse the original shareholder in case a claim is submitted to ACUM.
- 5.7. If ACUM is notified of a **dispute** among members, or involving members of an affiliated society, ACUM may, at its discretion, appoint a committee to discuss and decide on the best way to settle the dispute. The members will supply the committee with documentation/references proving the work's sources.
- 5.8. **Any alterations to the original text, excluding translation, a literary work based on non-copyright work** (public domain) requires evaluation by a Literary Committee that will determine the extent of the creative element of the author claiming his name on this work.
Abbreviations, addition and omission of words or lines from traditional or biblical texts, the adaptor is entitled to receive performance royalties, subject to the committee's decision. It is up to the adaptor to contact the literary committee in order to determine his eligibility and share of the work.
- 5.9. A Composer who wrote a new work, **using a non-copyright work** (public domain) will be considered as the original composer of the work thus entitled to the full share.

5.10. **Text in Promo ID's and station ID's**, require evaluation by the Literary Committee in order to determine the extent of the creative element of the author stating his name on this work. It is up to the author to contact the literary committee in order to determine his eligibility and share of the work.

6. Distribution guidelines of a musical work with new lyrics

6.1. A published work will be registered as a new work if the lyricist of the New Hebrew words declares that the lyrics are new (not a translation or adaptation of the original lyrics), and that ACUM has the full details of the original work creators.

6.2. With receipt of the lyricist's declaration of new lyrics, a message will be sent to the relevant society or local publisher, informing them of the registration of the work in ACUM database.

6.3. If ACUM doesn't receive approval from the original composer and author to the New Hebrew lyrics/work, then 100% of the royalties will be suspended. The suspension will continue until the parties reach an agreement or reach a judicial decision, whichever is earlier. However, in case the original composer did not object, the music royalties will be distributed. If the author of the original words objected and the composer approved - the part of all words will be suspended and the music royalties will be released.

The composer has stated that they do not oppose the new lyrics	No approval from the original composer	
Music royalties - distributed 100% of the lyrics – suspended	100% is suspended	No approval from the original lyricist
No suspension – if the parties have reached an agreement, the new work will be registered accordingly. Without an agreement the work will be registered according to the distribution key	100% is suspended	Original lyricist has informed that he doesn't object

6.4. The rights distribution in a work which composed of new lyrics written for a foreign work (that was originally published as music & lyrics) and that the composer and the original lyricist have consented to the publishing of the work with new lyrics, however an agreement was not provided, will be as follows:

Original composer	50%
Original lyricist	25%
New Lyricist	25%

6.5. ACUM issues a recording license. It is important to note that the recording license does not cover the initial recording (first publication of the work) that must be done with permission.

7. Publishing guidelines

- 7.1 A music publisher requesting rights must submit a declaration to ACUM containing the details of the publisher's agreement with the artists or their legal representatives. The publisher's share is determined according to the publisher's agreement with the artist, and is calculated in accordance with the writer's share in the work. Agreements will not apply retroactively for the royalties that were already distributed or in the case that ACUM has received the agreement adjacent to the distribution dates.
- 7.2 The publisher will be entitled to his share of royalties if he has proven that the work for which he is demanding rights was published in writing or on a commercial recording or demo, or, in the case of an orchestral work, the sheet music was published. ACUM may demand a copy of the work as published.
- 7.3 The publisher must notify ACUM of any sub-publishing agreements that have been signed with a foreign publisher by using special forms as determined by ACUM from time to time. The form will state the publisher's details, the period of the agreement and the territories to which it is applicable. The publisher cannot allocate to the sub-publisher more than his share of royalties according to the division key.
- 7.4 A writer who has no local publisher representative must notify of any agreement signed with publishers abroad. Notwithstanding the aforesaid, in countries where **mechanical rights** are managed by publishers, not via affiliated societies, the publisher shall, with the writer's consent, be entitled to appoint a sub-publisher for the works, in order to collect all mechanical rights for the writer.
ACUM may request royalties' statements received by the sub-publisher from the publisher, for auditing purposes.
- 7.5 Regarding mechanical rights, the share of a writer whom is not a member of ACUM or of any affiliated society and who has signed with a publisher, his royalties shall be paid to the publisher until the writer becomes a member of a society. Once the writer becomes a member of ACUM or one of the affiliated societies, his shares will be registered according to the above key.

8. Distribution rights in popular music

8.1 Composition with lyrics without music arrangement:

Composer:	50%
Lyricist:	50%

Protected composition (music and lyrics) for instrumental performances (no use of lyrics):

Composer:	66.67%
Lyricist:	33.33%

Composition initially published without lyrics:

Composer:	100%.
-----------	-------

8.2 Sheet music or chords of a musical Work (music and lyrics) in print:

Composer: 66.67%
Lyricist: 33.33%

Composition initially published without lyrics:

Composer: 100%

8.3 Lyrics of a musical Work (music and lyrics) as recitation and in print:

Composer: 66.67%
Lyricist: 33.33%

A composition initially published without music:

Lyricist: 100%

8.4 Promos, station and program ID's:

Composer: 100%

when the work includes text, the author's shares will be determined by the Literary Committee (clause 5.10).

9. Composition with lyrics and musical arrangement:

9.1 Composition (music and lyrics) with authorized arrangement:

Composer: 42.5%
Lyricist: 45%
Arranger: 12.5%

12.5% arranger share is composed and reduced as follows:

60% which are 7.5% from the composer

40% which are 5% from the lyricist

9.2 Composition (music and lyrics) with authorized arrangement subject to publishing agreement

Composer & publisher: 44 %
Lyricist & publisher: 46%
Arranger: 10%

10% arranger share is composed and reduced as follows:

60% which are 6 from the composer and publisher

40% which are 4% from the lyricist and publisher

9.3 Composition (music and lyrics) for instrumental performances (no use of lyrics):

Composer: 59.17%
Lyricist: 28.33%
Arranger 12.5%

Composition initially published without lyrics:

Composer: 87.5%
Arranger: 12.5%

9.4 Sheet music or chords of a musical Work (music and lyrics) in print:

Composer: 59.17%
Lyricist: 28.33%
Arranger 12.5%

Composition initially published without lyrics:

Composer: 87.5%
Arranger: 12.5%

9.5 **Musical arrangement of domain public composition:**

Share of the arranger for performance rights: 12.5%

Share of the arranger for mechanical rights: 100%

The arranger share is subject to a declaration. The arranger may appeal to a Committee in order to obtain a share greater than 12.5% of performance rights.

10. Distribution rights in a musical work with lyric adaptation

10.1 **Musical Works with lyrics arrangement:**

Composer:	45%
Lyricist:	42.5%
Lyrics Arranger:	12.5%

10.2 **Musical Works with lyrics arrangement with a publisher** for the composer and/or the author's share:

Composer + publisher:	46%
Lyricist + publisher:	44%
Lyrics Arranger:	10%

10.3 **Words from a musical work with lyrics arrangement:**

Lyricist:	59.17%%
Composer:	28.33%
Lyrics Arranger:	12.5%
This type of work first published as lyrics without music:	
Lyricist:	87.5%
Arranger:	12.5%

10.4 **Musical arrangement for text from the public domain:**

Arranger's share of performance rights: 50%

Mechanical rights: 50% (or 100% for works which are words without music).
Arranger's declaration is a required condition for registration of his share in the Work.

10.5 **Lyrics arrangement of a musical work based on text from the bible traditional sources:**

The arranger must appeal to the Literary Works Committee (appointed by the BOD) who shall determine his eligibility and share in the performance rights.
Mechanical rights : 50%

10.6 **Medley** based on a number of works which are public domain will be considered as a new work since there is originality in the choice of works and order thereof. Therefore the writers share will be 50% (in accordance with the Copyright Law, section 4 b).

11 Distribution rights in a musical work with new lyrics

Original composer:	50%
Original lyricist:	25%
Local lyricist:	25%

Subject to permission, or after one years suspension of royalties.

12 Distribution rights in a literary work

12.1 Author's share of literary Work (prose, poetry): 100%

12.2 **Arrangement of text (translation, word changes) for literary text which is public domain:**

Arranger's share will be registered subject to his declaration

Performance rights:	50%
Mechanical rights:	100%

12.3 **Arrangement of text (translation, word changes) for literary text which is not public domain:**

Arranger's share will be registered subject to his declaration

Performance rights:	50%
Mechanical rights:	50%

It is assumed that these translations are created subject to the original shareholders permission.

12.4 **Screening translation subtitles on TV:**

The translator is entitled to his share for the screening of his translation on the subtitles, provided that either:

- The translation was published in writing and made public before being added to the program/film.
- The translation of a play was shown on stage or published in the play's program.
- The translation for musical-vocal work such as opera and musicals was published in the program.

12.5 Distribution rights in literary works with musical background

Composer:	33.34%
Lyricist:	66.66%

13 Distribution rights in serious and Dramatico-musical works

13.1 Composer's share: 100%

13.2 **Choral Work** – chamber music up to 11 instruments with vocalists:

Composer:	58.33%
Lyricist:	41.67%

13.3 **Symphonic Work**– 12 instruments or more with vocalists:

Composer:	66.67%
Lyricist:	33.33%

13.4 **Dramatico-musical work**, such as opera and musicals:

Composer:	50.00%
Lyricist:	50.00%

14. Dispute Resolution Guidelines

1. The guidelines are to determine how ACUM manages cases where there's a dispute or conflict between shareholders in a work, disputes regarding violation of copyright and/or disputes regarding ownership of copyright.
2. The guidelines define the work process and do not determine whether a violation of copyright has occurred and who the shareholders are.
3. The guidelines apply to cases where at least one party in dispute is a member of ACUM.
4. These guidelines are in effect as of March 1, 2007, and apply to all cases where claims were filed as of March 1, 2007.
5. The disputing parties must act reasonably in order to reach a solution in a peaceful manner.
6. The disputing parties will provide ACUM with all documents required in order to handle the dispute.

ACUM - Frozen royalties in the following cases:

1. When a member of ACUM has filed a claim (in arbitration or in court) against another member of ACUM, and that the member has requested in writing (enclosing a copy of the claim) that ACUM freezes royalties for the disputed shares/work.
2. When a member of ACUM has filed a claim (in arbitration or in court) against a member of a sister society in light of a dispute concerning the copyright of a work, and that the member has requested in writing (enclosing a copy of the claim) that ACUM has frozen royalties for the disputed shares/work.
3. When a member of a sister society and/or a sister society has filed a claim (in arbitration or in court) against a member of ACUM in writing (enclosing a copy of the claim) that ACUM has frozen royalties for the disputed shares/work, ACUM will notify the member regarding the suspension.
4. ACUM will freeze the royalties in dispute where there are two conflicting publishing agreements for foreign catalogues/works. The agreements will be frozen in accordance with the Sept. 1, 2014 guidelines (clause 15).
5. When a court order or arbitration has been issued in Israel in accordance with ACUM's guidelines.
6. Only in exceptional cases, where a dispute has arisen between two members of ACUM regarding copyright of a work in repertoire published by ACUM, and no claim has been filed – royalties will be frozen if it's approved by ACUM's legal advisor and by ACUM's CEO. Royalties will be frozen for a period not exceeding 6 months. Notice giving reason of the suspension will be sent to the writers.
7. ACUM can request that a sister society suspends royalties for a work if all of the following conditions exist:

- a. A writer, member of ACUM, is a party to a dispute regarding copyright of a work.
- b. A claim has been filed (in court or arbitration) concerning the copyright of the work, and a copy of the claim has been sent to ACUM.
- c. The writer, a member of ACUM, has requested in writing that ACUM acts on his behalf requiring the sister society to suspend royalties.

8. **Licenses for disputed Work**

8.1 Blanket licenses, which include permission for usage of works from ACUM's repertoire, will remain in effect even with regards to a frozen work.

8.2 Individual licenses: in the case where the parties to a dispute are both members of ACUM – ACUM will not issue individual licenses unless receives consent from both of them, in writing.

When only one party involved is a member of ACUM, the members' consent is required in order to grant an individual license of the disputed work.

15. Dispute Resolution guidelines between publishers (Counter Claim)

The Publishers are at all times responsible for resolving any and all counterclaims and disputes which might arise. The following procedure will be followed by ACUM pending the resolution of such counterclaims and disputes.

1. Royalties will be frozen within 10 business days from the date of ACUM's notification to all parties involved that a counterclaim has been made.
2. If one of the claimants ("Claimant A") can document its claim, then the other claimant ("Claimant B") will have 60 days in which to produce documentation for its claim. In the meantime, all monies will be held in suspense during such 60 day period. If Claimant B has not responded within the aforementioned period of 60 days, Claimant B will be in default and ACUM will notify Claimant B that its claim has been deleted. Subject to the provisions of Clause 3 below, the royalties held in suspense will then be released to Claimant A.
3. ACUM will review the documentation submitted to substantiate the claimants' claims. ACUM will verify that the following pre-requisite information is included: (i) term dates, (ii) territory, (iii) specific works/limitation of repertoire, and that the documents are signed and dated by all interested parties, or that there is a relevant letter of direction. These documents should be provided in English or original agreement should be accompanied by English translation.
4. ACUM will not make any value judgement of the documentation submitted, nor will ACUM's legal department be required nor expected to make an assessment of the relative merits of the claims.
5. If none of the parties provide supporting documentation, the monies will continue to be held in suspense indefinitely, until such time as one of the claimants can document its claim.
6. ACUM shall, where possible and subject to the information available at the time, only suspend the share/s within a work which is/are in dispute.

7. ACUM will only credit Claimant A or Claimant B, as the case may be, for the royalties accrued during the period of the dispute. All claims to royalties accrued before and/or after the disputed period must be settled between the parties involved.

16. ADJUSTMENTS

Work procedure – minimum amounts for Debit/Credit

The object is to perform debits and credits only for sizeable amounts, with the aim of streamlining the process.

1. Debit/Credit to local shareholders

- Minimal amount per debit/credit per **work** (for each shareholder) – NIS 20.
- Minimal amount for debit/credit per **writer** – NIS 30, when dealing with a number of works for which debit/ credit is less than NIS 20.
- For debit above **NIS 500** per writer – notification must be performed to ensure that ACUM has the correct info.
- Debit/Credit should not be made against royalty distribution carried out more than 3 years earlier, except by prior bilateral agreement.
- In case of incorrect registration made by ACUM, the Debit/Credit will be carried out against prior distributions over a period of 7 years.

2. Debit/Credit to societies and local sub publishers representing foreign repertoire

2.1 Fees in Error

- Incorrect payments to ACUM must be returned to a sister society or, alternatively, royalties ACUM paid to another society by mistake.
- Fees in error exceeding \$20 per work (or the equivalent thereof).
- Fees in error exceeding \$50 per shareholder (even if the individual amounts per work of the same shareholder are less than \$20).
- Royalties' reimbursement includes an explanation as to why the refund and to whom the society must pay these royalties.

2.2 Debits/Credits

Adjustments made by a Society following an earlier incorrect royalty distribution to another Society.

- Minimal amount per work - \$20 (or the equivalent thereof).
- Debits in the amount of \$20 to \$500 per work, have no need to obtain permission from the society to which the debit relates. The society must receive full information for the reason for the debit.
- Debits over \$500 per work (or the equivalent thereof) must be agreed upon between the two societies prior to the debit. However, if any objection raised cannot be resolved within six (6) months of the date of the first written notification, the debit may take place.
- Debit/Credit should not be made against royalty distribution carried out more than 3 years earlier, except by prior bilateral agreement.
- In case of incorrect registration made by ACUM, the Debit/Credit will be carried out against prior distributions over a period of 7 years.