GOVERNMENT NOTICE NO. 29 published on 8/1/2016

THE COPYRIGHT AND NEIGHBOURING RIGHTS ACT, (CAP. 218)

# REGULATIONS

# (Made under section 45)

THE COPYRIGHT AND NEIGHBOURING RIGHTS (COPYRIGHTED WORKS-COMMUNICATION TO THE PUBLIC) REGULATIONS, 2015

Citation	1. These Regulations may be cited as the Copyright and Neighbouring Rights (Copyrighted Works-communication to the Public) Regulations, 2015 and shall come into operation on the date of publication.
Application	2. These Regulations shall apply to copyrighted works in communication to the public.
Interpretation	3. In these Regulations, unless the context otherwise requires:
Cap.218	"Act" means the Copyright and Neighbouring Rights Act; "appellant" means a person who lodges an appeal before the Minister;
	"communication to the public" means transmission by wire, or without wire, of the images of sound or both, of a work, a performance, a sound recording or a broadcast, in such a way that the images or sounds is perceived or accessed by person outside the normal circle of a family and its closest social acquaintances at a place so distant from the place where the transmission images or sounds is not perceiveble or accessible and further impercention
	is not perceivable or accessible and, further, irrespective of whether the person receives or access the images or sound at the same place and time, or at different places or times individually chosen by them;
	"license" means a license issued under regulation 7(1);

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Cap.218	<ul> <li>"Minister" means Minister responsible for copyright and neighboring rights;</li> <li>"respondent" means a person against whom an appeal has been lodged or filed to the Minister;</li> <li>"Society" means the Copyright Society of Tanzania established under section 46 of the Act.</li> </ul>
License to communicate to the public and reproduce Cap.218	<ul> <li>4. A person shall not communicate to the public, or reproduce a work which a copyright and neighbouring rights subsists except:</li> <li>(a) under a license issued by Society;</li> <li>(b) authorized by the owner of the work regulated by the Society; or</li> <li>(c) free use if it is in accordance to the Copyright and Neighbouring Rights Act.</li> </ul>
Application for license	<ul><li>5(1) A person who makes reproduction of works relating to a copyright and neighboring rights shall apply for a license to the Society.</li><li>(2) Every application for a license shall be made to the Society by filling a form No. CST F.1 in a manner set out in the First Schedule to these Regulations.</li></ul>
Consideration of application	<ul> <li>6. The society shall, before granting a licence, take into account-</li> <li>(a) that the application contain information as prescribe in the regulations;</li> <li>(b) the reputation of the applicant and competency of the applicant in conducting the activity applied for;</li> <li>(c) that an applicant for a license complies with the license limitations and any other obligations imposed by these Regulations and any other written laws.</li> </ul>
Obligations of licensee	7(1) An applicant shall pay the initial license fee to the Society, for the first year ending on the expiry date, of the license in a manner stipulated in the license.

(2) The Licensee shall on the first day of the anniversary month of each and every year following licence-year shall-

- (a) furnish to the Society with a statement defined in the terms and conditions, and as certified by an auditor or accountant, or in a manner acceptable to the Society in respect of the preceding twelve months;
- (b) pay to the Society the amount by which the provisional licence fee calculated and payable for the preceding licence-year, exceeds the license fee paid, or which became payable, for the same period;
- (c) for the next licence-year a provisional license fee calculated hereto; provided that, if the licence fee for any licence-year exceeded the actual licence fee for the same period, the Society, in its sole discretion, may either allow such excess amount as a credit against the provisional fee for the next licence-year, or refund same to the licensee;
- (d) furnish to the society business registration documents including Tax Identification Number (TIN); and
- (e) furnish to the Society completed log sheets.

Issue of licence

8.-(1) Subject to the provisions of sub regulation (4), the Society shall issue a licence in a form set out in the First Schedule to these Regulations, subject to:-

 (a) the terms and conditions specified in the Schedule, including the submission of form No. CST F.1 as set out in the First Schedule to these Regulations; and

(b) the payment of applicant fees corresponding to the appropriate tariff specified in the Second Schedule to these Regulations.

(2) Subject to subregulation (1), the Society may communicate with the Minister to make an adjustment to the published tariff rates of Official Consumer Price Index, as published from time to time by the National Bureau of Statistics of Tanzania.

(3) The Tariff adjustment referred to under subregulation (2) shall not exceed rate of inflation as mentioned in the Official Consumer Price Index.

(4) The Society may make variations in the application of specific tariffs as may be considered appropriate when licensing premises or users is not falling within the scope of a specific tariff as prescribed in the Second Schedule.

(5) A licence shall be valid only for the purpose for which it has been issued and for the period specified in the terms and conditions in respect to the premises or user, specified thereon.

(6) The Society may refuse to issue a licence and give reasons in writing to the applicant for such refusal.

Renewal of licence

9.-(1) A person whose business licence is about to expire shall make an application for renewal of his licence to the society.

(2) Subject to subregulation (1) an application for renewal of licence shall be made within thirty days before expiration of subsisting licence.

Duplicate licence

10.-(1) The Society may upon payment of a prescribed fee, issue a duplicate licence to a licensee where the original is lost, stolen, or destroyed.

(2) A licensee whose licence is lost stolen or destroyed shall make an application to the society in writing accompany by:-

- (a) a photocopy of his original licence;
- (b) a police loss report;
- (c) any other information or document as the Society may require.

(3) An application referred to under this regulation shall be accompanied by a duplicate licence fee of fifty thousand shillings.

License to be displayed

11.-(1) The licensee shall display the licence in a prominent and visible position.

(2) The Society may require the licensee to show the licence issued to him when need arises.

Revocation of licence

12.-(1) The society may revoke the licence if a licensee-

- (a) engages in activities beyond scope of operations authorized under the licence;
- (b) is in a possession of a licence issued as a result of false or fraudulent representation;
- (c) is in contravention of any provision of the Act, these Regulations, Anti Money Laundering Act and any other written laws;

(d) breach any condition attached to the licence.

(2) The society shall issue a written notice within fourteen days to the licensee to show cause why the licence should not be revoked or suspended.

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(3) The licensing authority may revoke the licence where the licensee fails to comply with the notice issued under sub-regulation (2).

Distribution

13. The Society shall pay royalties in accordance with the procedures stipulated in the Third Schedule or other appropriate remuneration accrued or due to the person entitled thereto out of the fees collected by the Society under these Regulations.

Appeals

14.-(1) Any person who is aggrieved by a decision of the Society in regard to refusal to issue a licence may, appeal against the decision to the Minister for review within thirty days from the date of decision.

(2) Pursuant to sub-regulation (1), the appeal to the Minister shall be in writing stating the grounds of appeal.

(3) Grounds of appeal pursuant to sub-regulation (2) shall be consecutively numbered specifying the points alleged to have been wrongly decided and nature of relief sought from the Minister.

(4) Subject to the subregulation (3), the memorandum of appeal shall be signed and dated by the appellant.

(5) Pursuant to the provision of this regulation, the Minister upon considering the grounds for appeal, may dismiss the appeal, set aside the decision and substitute it or vary the decision and shall notify the appellant and respondent on such decision.

Appeal withdraw

15.-(1) The appellant may, at any time after filing an appeal to the Minister and before the Minister makes his decision, issue a written notice that he does not intend further to prosecute the appeal.

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(2) Upon receipt of the notice, the Minister shall withdrawn the appeal.

Penalty failure	16. Any person who fails to pay fees on the time specified under these Regulations, such person shall pay an additional fees prescribed in the Second Schedule to these Regulations.
General penalty	17. Any person who contravenes the provisions of these Regulations commits an offence and shall be liable to the penalty prescribed under sections 42 and 36 of the Act.
Register of licencee	<ul> <li>18. The Society shall maintain a register of licence which shall include-</li> <li>(a) the name and address of the licencee;</li> <li>(b) the business or trading name or names, under which licencee carries on its economic activities;</li> <li>(c) the date on which his licence was granted;</li> <li>(d) the location or the premises at which the licence operates;</li> <li>(e) conditions attached to his licence;</li> <li>(f) any other of revocation or suspension; and</li> <li>(g) any other information, the Society may deem appropriate.</li> </ul>
Cessation or change of business	<ul><li>19. A licensee shall, as soon as practicable, but not later than seven days, give to the Society a notice in writing if-</li><li>(a) he ceases to carry on the business to which he was licenced for; or</li><li>(b) a change occurs in any matter submitted in accordance to the Act and these Regualtions.</li></ul>
Transitional provision	20. All copyrighted works communicated to the public with or without written contracts prior to the date on which these Regulations comes into effect, shall remain in the market

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for three months from the date of publication of these Regulations.

# FIRST SCHEDULE

(Made under regulation 8)

Form No. CST F.1

#### COPYRIGHT SOCIETY OF TANZANIA THE COPYRIGHT AND NEIGHBOURING RIGHTS ACT, (CAP.218)

Application No. .....

Application for Licence for use of works in which Copyright and/or Neighbouring Rights Subsist

(Regulation 4)

I/We	proprietor(s)/ manager(s)
Of	apply for a licence to
Hold	

Please tick or mark with X in the appropriate box

	Type of use	
1	. Communication to the public of a work	
C	r making available to the public of a work	
2	. Reproduction of a work	
3	. Broadcasting of a work	
4	. Other (Specify)	
c 2 3	r making available to the public of a work Reproduction of a work Broadcasting of a work	

GN. No. 29 (Contd.) in which copyright and/or neighbouring rights subsist under the Copyright and Neighbouring Rights Act, Cap 218. Physical Address: ..... Telephone No. ..... Location ..... ..... District ..... Post Office Box: ..... Email: ..... Tin No:.....Please tick or mark with "X" in the appropriate box Telecommunications, Digital/Online, Web-/Simul-casting **Services** A. Provider: 1. Ringtones ..... Ringback tones ..... 2. 3. Digital downloads ..... Web-casting (also complete info in B)..... 4. Simul-casting (also complete info in B)..... 5. "Music on Hold"..... 6. Other (please specify)..... 7. **B.** Activities of Web-/Simul-casting Applicants: 1. Estimated Radio/Television Content: Radio Type of Service Television 01% to 24.99% ..... a. 25% to 49.99% ..... b.

9

50% to 74.99% .....

75% to 99.99%.....

c.

d.

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I/We the
Manager/Proprietor of the
Duly authorized, on behalf of the licensee
Certify
That the above information is true to the
best of my/our knowledge and belief.

Signature of Manager or *Proprietor* 

# FOR OFFICIAL USE ONLY

Tariff/s Applicable
Fee/s Payable
File/s Number/s

Signature Officer of the Society

Checked by: .....

Return to:

The Copyright Administrator Copyright Society of Tanzania P.O. Box 6388 DAR ES SALAAM

Tel: +255 22 2700019 Mobile: +255 (0) 786 464 007/656 084 954 Fax: +255 22 2700020

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Form No. CST F.2

#### COPYRIGHT SOCIETY OF TANZANIA THE COPYRIGHT AND NEIGHBOURING RIGHTS ACT, (CAP.218)

#### LICENCE

(Made under regulation 8(1))

.....of .....

(Name and trading name of Licensee)

.....

(Physical Address & Post Office Box of Licensee)

is hereby licensed to ..... of works in which copyright and neighbouring rights subsists under the Copyright and Neighbouring Rights Act, 1999, at

.....

(Name and location of premises)

Subject to the conditions specified in the contract.

The Chief Executive Officer & Copyright Administrative Office

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Form No. CST F.3

# COPYRIGHT SOCIETY OF TANZANIA THE COPYRIGHT AND NEIGHBOURING RIGHTS ACT, (CAP.218)

(Made under regulation 6(4))

	1.	Only works actually communicated, Performed or reproduced the frequency		P.O.Box of License:
		of communication, should be me	1 2	Physical Address of Licensee:
	2.	This report must be signed by the	e	Name:
	Licensee	<b>CT</b> ·		
		Name of Li		insed place

SEQ	Title of Work	Author	Composer	Arranger/Producer	Publisher	Any other
1.						
2.						
3.						
4.						
5.						

Music

		,	of D Fulliance			
Title of	Composer/	Author/Script	Director	Producer	Executive	Any
work	Story writer	writer			Producer	other

Plays/Dramatic

Other works

SE Q	Title of Work	Author	Composer	Arranger	Publisher	Any other
1.						
2.						
3.						
4.						

I/We declare that the works stated above were to the best of my/our knowledge and belief actually performed as stated.

Date .....

Name: .....

Capacity: .....

Return to:	The Copyright Administrator
	Copyright Society of Tanzania
	P.O. Box 6388
	DAR ES SALAAM
	Tel: +255 22 2700019
	Mobile: +255 (0) 786 464 007/656 084 954
	Fax: +255 22 2700020.

# ISSUED UNDER REGULATION 7(1)(a) TERMS AND CONDITIONS

- 1. If it should appear that the Licensee is a non-existent entity or purports to be a juristic person while it has not been registered as such at the relevant Registrar's Office at the date of this agreement, the person signing this agreement as signatory shall be personally liable hereunder and be bound to the terms and conditions of this licence as though the said person was contracted by and designated in this agreement as the licensee.
- 2. The Society may, in its discretion from time to time revise its tariff which shall become effective on the second day of the anniversary month next following the date of such revision, in which event the Licensee shall be notified thereof in writing.
- 3. Subject to clause 6 hereof, this licence shall continue from year to year until terminated by either party giving the other by registered post one calendar month's notice of cancellation in writing to expire on the first day of the next anniversary month in any year, provided that in the event of the Society having given notice in terms of clause 2 hereof, the Licensee may forthwith terminate this licence in writing by registered post, subject however to its continued liability in respect of any fees payable hereunder to date of cancellation; provided further that a notice of cancellation by the Licensee shall be valid only if the Licensee shall have ceased altogether the communication to the public of music in the Society 's repertoire by the licensed premises.
- 4. If the Licensee should fail to furnish the statements required within 3(three) months of the second day of the anniversary month, such default shall constitute a material breach of contract, which shall, without prejudice to the Society's right to demand specific performance, render the Licensee liable to pay the Society on demand as damages an amount equal to double the amount of the provisional fee paid, or which became payable by the Licensee in respect of the preceding licence-year.
- 5. The Licensee shall notify the Society in writing by registered post within one month of any change of address, the ownership of the licensee's business, or of the trading name of the licensed premises, or in the manner or extent of communication to the public as described in paragraph A hereof. The Licensee shall within thirty (30) days of being requested in writing to do so, furnish the Society with information required for the assessment of licence-fees payable by virtue of any tariff revision, or any change in tariff parameters or any other changes as aforesaid. The Society shall notify the Licensee of any such reassessment in writing.
- 6. If the Licensee should breach the terms and conditions of this licence and fail to rectify such breach within thirty (30) days of the date of a notice of demand in writing to do so, the Society

may, subject to its right to recover any monies due hereunder, and notwithstanding anything to the contrary herein, cancel this licence forthwith by written notice per registered mail.

- 7. The Society shall charge 50% of the tariff as late payment fee if the licensee shall not make payments within three (3) months of the date of original invoice.
- 8. If the Society should take legal action against the Licensee for breach of contract, the Licensee shall be liable for all legal costs arising therefrom, calculated on attorney and own client scale, the costs of counsel on brief, and the costs of tracing the Licensee's whereabouts, as well as Value Added Tax on the aforementioned costs.
- 9. The Licensee shall be liable to pay interest on licence-fees remaining outstanding for more than 2 months from the due date, calculated monthly in advance from the due date to date of payment at the legal rate current for the time being.
- 10. This licence shall not extend to or be deemed to authorise:
  - (a) The communication to the public in their entirety of oratorios and other choral works and sound recordings thereof, or of excerpts therefrom, of more than 20 minutes duration; ballets and dramatico-musical works or sound recordings thereof, such as operas, musical plays, revues or pantomimes in so far as they consist of material written expressly therefore.
  - (b) The communication to the public of any musical work or sound recording thereof accompanied by any words other than those (if any) published or otherwise associated therewith by the copyright owner.
  - (c) The public performance of the musical works or sound recordings communicated to the public by virtue of this licence.
  - (d) Any communication to the public different in number or type from those on the basis of which this licence has been granted.
  - (e) The license granted shall not apply to any Licensed Service which knowingly or recklessly provides internet or mobile "links" to music which requires a license, but is unlicensed (whether in the form of recordings or notation, scores, lyrics, etc). The inclusion of such links on a Licensed Service shall constitute a material breach of this Agreement (which is capable of remedy).
- 11. The Licensee hereby chooses as *domicilium citandi et executandi* the address reflected in paragraph B hereof.
- 12. Any notice to be given to the Licensee for the purposes hereof shall, if sent by registered post, be deemed to have been received within fourteen (14) business days of the dispatch date.
- 13. The Licensee shall not assign this licence without the Society's prior consent in writing.
- 14. Any indulgence, which the Society may grant to the Licensee, shall not constitute a precedent or a waiver of any of the Society's rights in terms hereof, and shall not preclude the Society from exercising its rights in terms hereof.
- 15. This licence supersedes all previous licences issued to the Licensee in respect of the licensed premises under the same tariff as that mentioned in paragraph A hereof, and constitutes the entire agreement between the parties. No amendment, deletion or substitution thereto, or consensual, tacit or oral cancellation shall be valid unless confirmed in writing and signed by both parties, provided that a notice of a tariff revision in terms of clause 2 hereof or of a reassessment of fees in terms of clause 5 hereof, shall form part of and be deemed to be incorporated into this licence.

# SECOND SCHEDULE

(Made under regulation 8)

## FEES

- 1. **Tariff TD** Communication to the Public & Reproduction via Telecommunication, Digital/Online service providers, Web-/Simul-casting and "music on hold"
- A. For Telecommunication/Online service providers and Web-/Simul-casting
  - 1. <u>Ringtones:</u> (incorporating less than 1 minute of a Musical Work and shall mean a short audio recording incorporating a work (or part thereof) the primary purpose of which is to notify the User of an incoming call or message on a Device.)
  - Fees: 19.2% of Gross Revenue from ringtone services to consumers subject to a minimum fee of Tshs 64 per ringtone delivered
  - 2. <u>Ring-back service</u>: (audio-only recording, the sole purpose of which is to be heard by a Caller when making a call on a Telephone to a User's Telephone during the time between initiating a call and the User's phone being answered so as to connect the call)
  - Fees: 24% of Gross Revenue from ring-back services to consumers subject to a minimum fee of Tshs 80 per ring-back tone delivered
  - 3. Downloads:
  - Fees: 12.8% of Gross Revenue generated from the services to consumers subject to minimum fees per download as follows:

1 to 2 tracks	32 Tshs per track download
3 to 8 tracks	25 Tshs per track download
9 to 19 tracks	19 Tshs per track download
20 or greater tracks	16 Tshs per track download

4. Web-Casting: (refers to online Radio/TV web-cast channels that are exclusive to the internet)

Percentage rate of gross Revenue or gross operating costs as follows:-

	Percentage of musical content	Percentage rate of gross revenues or operating costs
01 - 24.99	4.13%	
25 - 49.99	6.03%	
50 - 74.99	8.94%	
75 – 99.99	10.84%	

The above web-cast **Percentage rates** are subject to the following minimum annual amounts, depending upon categorization of Gross Income and Audio/Radio or Video/Television:

NATURE OF WEB-CAST	MINIMUM FEE ANNUAL INCOM	
	Lower than 15 000	Above 15 000
AUDIO/RADIO	300 000	2 200 000
VIDEO/TELEVISION	150 000	1 100 000

#### 5. Simul-casting:

The possibility is offered by the Society to obtain a joint broadcast and web-cast licence or to obtain individual/separate licences for each distinct activity (broadcast and/or web-cast)

- 6. Definitions of Gross Revenue and/or Operating costs are available from the Society on request. The Gross Airtime Revenue and/or Operating costs shall be reconciled at least once per annum by reference to the annual certified audited financial report of the Licensee.
- B. Communication to the public through Telecoms for music on hold on telecom switchboards.

SECTION	NATURE OF EQUIPMENT	ANNUAL	LATE PAYMENT
		FEE	FEE
i.	Communication to the public through switchboards Up to 10 lines	40,000/=	50% of the tariffs
ii.	Communication to the public through switchboards From 11 lines to 20 lines	60,000/=	50% of the tariffs
iii.	Communication to the public through	80,000/=	50% of the tariffs

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switchboards With over 20 lines		
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# C. Concession

The application of the aforementioned Tariff monetary amounts of charge by the Society in this Second Schedule shall be phased in over two years. For the first year after the promulgation of these Regulations a non-recurring concession of 33.33% on the monetary amounts stipulated will be allowed after which the full Tariff rates will become effective, namely from the second year after promulgation of the said Regulations.

# THIRD SCHEDULE

(Made under regulation 13)

# DISTRIBUTION RULES FOR COMMUNICATION TO THE PUBLIC, REPRODUCTION

# 1. **RIGHTS:**

These distribution rules relate to the following rights assigned to the Society

(a) The Copyrights of national and foreign works for the following types of uses:

Communication to the public, and Reproductions made of the works.

(b) The Rights of the artists within Tanzania for the following types of uses:

Communication to the public, and Reproductions

(c) In case where tariff applies to both categories of rights hereinbefore mentioned the income from royalties based on such tariff shall be distributed in the following manner:

# Artistic (Music) work

50% for the national /foreign authors of musical

50% for the performing artists and the producers of sound recordings.

#### Artistic (Dramatic) work

100% for the national/foreign author/Producer/Director of dramatic works subject to the agreed contract;

# Literary work

i. 100% for the national/foreign authors of literary works subject to the agreed contract

#### 2. RIGHTS OF AUTHORS OF MUSICAL, DRAMATIC WORKS

#### (a) **Distribution class:**

All royalties due to the national and foreign authors as well as to performing artists of musical works shall be deemed to come from the following distribution class.

#### (b) Attribution of the royalties to the distribution class:

The royalties collected on the basis of the Society tariffs shall be attributed to the distribution classes as follows:-

Class 4 Tariffs for Telecommunications & Digital/Online

#### (c) Log sheets or lists to be used for distribution:

The following log sheets or lists claimed from the users shall be considered as the basis for the distribution.

Class 4 the list of ringtones and downloads supplied by the Telecoms companies and online service providers.

All log sheets or lists received by the Society shall be used for purposes of distribution, except those log sheets or lists which are illegible, obviously incorrect or incomplete.

Log sheets or lists received by the Society after the period of its distribution activities shall be taken into account during the next distribution period.

#### (d) **Specific rules for the distribution classes:**

### Class 4

The distribution shall correspond with the number of actual downloads or reproductions per work.

#### (e) **Distribution Keys:**

The following distribution keys shall apply in

i. all domestic works

Class 4 Telecommunications, Digital/Online services & Web-/Simul-casting-communication to the public and reproduction.

	Pul	nuscript blished orks Works
Composer of Music	100%	50%
Publisher of Music	-	50%
Composer of Music	50%	25%
Author of words	50%	25%
Publisher of Music	-	50%
Composer of Music	80%	40%
Adapter of Music	20%	10%
Publisher of Music	-	50%
Composer of Music	40%	20%
Author of Words	40%	20%
Adapter of Music	20%	10%
Publisher of Music	-	50%

# ii. all foreign works without documentation showing a different key:

In case there is a sub-publisher, the original publisher and the sub-publisher shall share their 50% share as stipulated in their contract. If this contract shall not be notified to The Society, equal shares of 25% each shall be attributed to the publisher and the sub-publisher.

#### (f) Works of Unknown Authors

Works of authors who cannot be identified shall not be taken into consideration for distribution of royalties.

#### (g) Periods of Distribution

The period of distribution shall be fixed as follows:-

Class 4 April 1<sup>st</sup> to March 31<sup>st</sup> to be distributed not less than once a year

Distribution statements shall be sent not later than 3 months after the end of each distribution period.

# 3. RIGHTS OF THE PERFORMING ARTISTS AND OF THE PRODUCERS OF SOUND RECORDINGS.

(a) Distribution Class:

The distribution of royalties due to the national performing artists and the national producers of sound recording shall be effected in accordance with distribution class 4 above.

(b) Log sheets or lists used for distribution:

The complete log sheets or lists shall be the basis for the distribution.

All log sheets or lists received shall be used for the purpose of distribution, except those log sheets or lists which are illegible or obviously incorrect or incomplete.

Log sheets or lists received by the Society after the end of its distribution period shall be used during the next distribution period.

(c) Distribution Keys:

The following distribution keys shall be applied:

Performance on own record Tape of broadcaster	Performance on commercial record of a Tanzanian or Foreign
	Record-Producer

i.	Performing	Performing Artist - 50%
	Artists - 100%	Producer - 50%

- ii. In the case of groups of performing artist, each group member shall receive an equal share.
- iii. Performance of unknown performing artists and records of unknown producers of sound recordings.
- iv. Performance of artists who cannot be identified shall not be taken into consideration for distribution of royalties.

#### 4. DEDUCTION OF COSTS OF ADMINISTRATION

Before attributing the royalties to the different distribution classes, a percentage to cover administration costs of the Society shall be deducted. This percentage shall be the same for all the royalties collected.

The percentage of the deduction shall correspond with the effective costs of administration of the Society without aiming at accumulating a reserve or making profit but it shall not exceed 30% of the Gross Royalty collections.

# 5. SOCIAL AND CULTURAL PROMOTION FUNDS

After the deduction of the costs of administration as set out in item 4 herein the following parts of the net royalties received by The Society shall be paid:

10% of the royalties accruing from the rights of the authors of musical and dramatic works (Item 2 herein) shall be paid to the fund for cultural and social purposes of the author members;

5% of the royalties accruing from the rights of the performers and the producers of sound recordings (Item 3 herein) shall be paid to the fund for cultural and social purposes of the said members.

The elaborate rules for the use of the money from two funds shall be set out by the Society Board, subject to the approval of the General Assembly

## 6. ROYALTIES RECEIVED FROM FOREIGN SOCIETIES

Royalties received from foreign societies shall be paid as soon as possible to the members of the Society, after deduction of a handling charge of 5% to cover administration costs of the Society.

7. Money for foreign societies not signatory with the Society will be held in reserve funds for three (3) years after which if not distributed to owners it will be used to cover administrative costs.

Dar es Salaam, 21<sup>st</sup> December, 2015 CHARLES J. P. MWIJAGE Minister for Industry, Trade and Investment