

# LaIPA Distribution Rules Description

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## 1. Licensees & Usage Reporting

### 1.1 Licensees

LaIPA license the use of Sound Recordings for the following types of use:

1. Radio Broadcast
2. TV Broadcast
3. Public Performance
4. Cable Retransmission
5. Blank Tape Levy
6. Dubbing (**Producers only**)
7. Public Lending
8. Reproduction (**Performers only**)
  - a. This revenue stream applies to monies collected from the reproduction of local Latvian recordings released prior to the 1993 Copyright act.
  - b. The Latvian government granted Performers exclusive rights to these recordings, entitling them to remuneration from the reproduction and distribution of these recordings.
  - c. A system was developed to enable LaIPA to license these recordings and distribute revenues collected to these performers where these recordings are used.
9. Webcasting
10. TV/Radio/Cable archives (**Producers only**)
  - a. TV
  - b. Radio
  - c. Cable
11. Synchronisation (**Producers only**)
12. On demand (**Producers only**)

### 1.2 Usage Reporting

LaIPA collect Sound Recording usage data for the following types of use:

- Radio Broadcast
- TV Broadcast
- Public Performance
- Reproduction
- Webcasting
- Synchronisation
- On demand
- TV/Radio/Cable archives

LaIPA does not receive usage data for the following types of use:

- Cable Retransmission
- Blank Tape Levy
- Dubbing
- Public Lending

LaIPA will collect usage log data from their licensees. This is reported at a Sound Recording level by each of the licensee's platforms (e.g. Radio Station) and times of use, durations and numbers of plays.

## **2. LaIPA Rights**

Latvian legislation grants LaIPA the right to license and collect monies on behalf of all producer and performer rights holders, for the use of sound recordings and sounds recordings used in music videos used in Latvia.

This includes all sounds recordings used in radio and TV broadcast, including non-commercial library or production music.

## **3. Distribution & Adjustment Timetable**

LaIPA will distribute all revenues collected for a specific airplay year on an annual basis.

Adjustments will be calculated for a set period of time. This is referred to as the "open period" or "period of limitation".

After the expiry of the open period no further adjustments will be made and the open period will be closed. At this point any outstanding non-distributed monies will be reallocated to the latest distribution period in line with LaIPA's distribution closure policy.

## **4. Distribution Period of Limitation**

Revenues will be adjusted for a period of 3 years from the end of the first year in which the revenues were distributed. Any monies remaining undistributed after this period will be recycled in the next distribution as noted above.

For example: If 2020 revenues are distributed in July 2021, adjustments to this distribution will be made until the end of 2024, after which the period will be closed, and remaining monies added to the 2025 distribution of 2024 revenues.

## **5. Distribution Setup**

### **5.1 Calculating Net Distributable Revenue (NDR)**

LaIPA split NDR 50-50 by revenue stream between Producers and Performers (where applicable\*)

LaIPA use Microsoft Excel to calculate NDR.

\* Reproduction revenues are allocated 100% to Performers.

\* Dubbing revenues are allocated 100% to Producers.

\* TV/Radio/Cable archives (on demand) revenues are allocated 100% to Producers.

\* On demand revenues are allocated 100% to Producers.

## 5.2 Setting up Distribution Funds & Usage Profiles

LaIPA will assign NDR from one or more licensees to a “distribution fund”. Each distribution fund is associated with one or more corresponding usage logs to build an actual or surrogate “usage profile”. Collectively referred to as the distribution “Funds and Profiles”.

Revenues within each distribution fund will be distributed over the recordings within the usage profile associated to it. Where there are multiple usage logs associated with a usage profile these can be weighted to ensure more revenue is assigned to one usage log over another as appropriate. The distribution practices that are used by LaIPA are summarised further below.

## 5.3 Calculating Matched Revenue

LaIPA will allocate NDR to matched and unmatched recordings. With monies distributed against matched recordings and reserved against unmatched.

The amount of money available for distribution against matched recordings will be calculated by dividing the total revenue available in a fund by the total matched seconds as a percentage of the total usage seconds reported. For example:

Licensee / Station	Distribution Period	Distribution Date	NDR	Total Usage Seconds	Total Matched Seconds	Match Rate (%)	To Allocate
Latvijas Radio 1	Jan-Dec 20'	Jul 16	EUR 100,000	100,000	70,000	70%	EUR 70,000
Latvijas Radio 1	Jan-Dec 20'	Dec 16 Adjustment		100,000	80,000	80% (80-70=10%)	EUR 10,000

## 5.4 Distribution Practice Overviews

LaIPA will, where possible and practical to do so, distribute licensee NDR against corresponding matched Sound Recording usage data. Where this is not possible or practical, LaIPA will identify and select suitable surrogate matched Sound Recording usage logs for this purpose.

## 6. Revenue Distribution Policy

### 6.1 Radio Revenue Distribution Policy

Where possible, radio revenues will be distributed against corresponding usage logs.

Where usage data is unavailable, one or more comparable surrogate radio usage logs will be selected and used.

Where a licensee has paid the minimum licence fee of 170.74 EUR and the usage reporting provided has more than 6,000 lines of data, the revenue will be distributed over the top 3 radio stations weighted by audience.

### 6.2 TV Revenue Distribution Policy

Where possible, television revenues will be distributed against corresponding usage logs.

Where usage data is unavailable, revenue is distributed over the top 3 radio stations weighted by audience.

### **6.3 Public Performance Revenue Distribution Policy**

Where possible, public performance revenues will be distributed against corresponding usage logs.

Where usage data is unavailable, one or more comparable surrogate usage logs is selected and used, as described below.

Appropriate surrogates are identified by using survey information gathered as part of the initial licensing of the licensee. Licensees are asked to detail the device used to play music e.g. CD player, Radio, TV, Internet, or DJ and where a TV or Radio play-out device is selected, they are asked to provide an applicable station over which to distribute their revenue.

Revenue from licensees who play the Radio as their main source of music are distributed either by the radio station identified, or by the top 5 of stations identified by the survey.

Where a licensee has paid the minimum licence fee for public events, and the usage reporting provided has more than 60 lines of data, the revenue will be distributed over the top 5 radio stations identified by the public performance survey.

### **6.4 Cable Retransmission Revenue Distribution Policy**

Cable retransmission revenue is distributed across usage logs reported by the top 5 television stations weighted by audience ratings.

If one or more of the top 5 television stations does not submit usage reporting, the appropriate share of revenue that would have been distributed over the missing stations usage is distributed across the top 3 radio stations instead.

### **6.5 Blank Tape Levy Revenue Distribution Policy**

Blank Tape revenue is distributed against the top 6 radio stations in Latvia weighted by audience.

### **6.6 Dubbing**

Dubbing revenue is distributed against Latvia's Top 100 radio airplay chart and is payable to Producers only.

### **6.7 Public Lending**

Public Lending revenue is distributed against National Radio 1 (Latvijas Radio 1) usage data. It is a very small revenue source, collecting approximately EUR 2,000 per year.

### **6.8 Reproduction**

Reproduction of pre-1993 revenues is distributed using production or sales data and is payable to Performers only.

### **6.9 Webcasting**

Webcasting revenue is distributed using each Webcasting Licensees usage reporting. Where usage data is unavailable, revenue is distributed over the VSIA Latvijas Radio usage report regarding the phonograms used in the reporting year.

### **6.10 Synchronisation**

Synchronisation revenue is distributed using each Licensees usage reporting.

### **6.11 On demand**

On demand revenue is distributed using each Licensees usage reporting and is payable to Producers only.

Where usage data is unavailable, revenue is distributed over the top 3 radio stations weighted by audience.

### **6.12 TV/Radio/Cable archives (on demand)**

TV/Radio/Cable archives (on demand) revenue is distributed using each Licensees usage reporting and is payable to Producers only.

Where usage data is unavailable, revenue is distributed over the top 3 radio stations weighted by audience.

## **7. Distribution Calculations & Allocations**

### **7.1 Copyright Protection**

LaIPA protect recordings for the duration of their copyright. This is 50 years in respect of a sound recording released prior to 1963 and 70 years in respect of a sound recording released from 1963 onwards. The release date is determined by reference to its date of fixation and/or first publication, however as this data is not readily available, the recordings Pdate is used as a more readily available alternative.

To identify whether a Sound Recording is within copyright, the following logic will be applied by the distribution system:

- The date of first publication will be determined by reference to the Sound Recordings “PDate”. If a Sound Recording was used within 50 years (if released prior to 1963) or 70 years (if released from 1963 on) of its stated PDate it shall be considered within copyright. If the PDate is unknown at the time of distribution it shall be assumed to be within copyright.

### **7.2 Recording Qualification**

All recordings published in a territory which has signed up to Rome convention are covered by Latvian Copyright law.

### **7.3 Revenue Allocation Policy**

Licensee revenue is linked to corresponding usage data as part of the distribution setup. Thus, a TV or Radio station’s revenue will be associated and distributed using that stations usage, where it is available and of a suitable quality. Where this is not possible a suitable surrogate is used as agreed by the Council of LaIPA.

Revenue is divided across the total number of seconds of usage reported (matched and unmatched) to calculate a rate per second.

Revenue is split across each track, based on number of seconds of play per track. If the track play duration is not provided in the usage return a default of 3 minutes is applied to each reported play.

Revenue is then generally allocated to the rights holders of the matched track, with unmatched tracks and matched but unknown rights holders allocation shares being held in reserve.

## 7.4 Phonogram Producer Allocation Rules

### 7.4.1. Identifying of Phonogram Producer

LaIPA needs a phonogram producer rights management system that is capable of storing phonogram producers recording rights information by time period, territory, and type of use.

Where a phonogram producer changes part way through a month, the system should allocate money to the producer who controls the rights for the greater share of the month. This is a pragmatic decision to manage processing effort, time and cost. For example, calculating allocations on a daily basis, although possible would increase processing effort 30 times over doing it monthly, while delivering marginal difference in accuracy.

### 7.4.2. Allocating Revenues to Phonogram Producers

Where a phonogram producer (for the territory, type of use and time period) is identified against a matched Sound Recording within a fund, the recording's revenue from the fund is allocated to the identified producer. Where two or more phonogram producers are identified as controlling the rights, and these rights do not overlap and are therefore not in dispute, revenues will be pro-rated between these producers based on their percentage ownership share. Where two or more phonogram producers are identified as controlling the rights, and these rights overlap, they are considered disputed (double claimed), and in which case revenues will be held until the dispute can be resolved. Where the phonogram producer is unknown, the recordings revenues are also held.

Revenue allocations are therefore assigned to one of the following accounts:

Account	Reason
<b>Payable</b>	Revenue has been successfully allocated to one or more phonogram producer
<b>Dispute</b>	Revenue has been held as two or more phonogram producers have overlapping, disputed rights
<b>Unknown</b>	Revenue has been held as one or more of the phonogram producer rights holders is unknown in the territory, time period and type of use. If one phonogram producer rights holder is successfully identified and other is unknown, only unknown's phonogram producer rights holder revenue is held based on their percentage ownership share.

### 7.4.3. Allocating Revenues where Phonogram Producer Rights Change

Where a phonogram producer no longer controls the rights to a sound recording (either through a sale of their rights, or through the end of a licensing agreement), the old and new producers should update their rights information in the system. This will enable the distribution system will allocate revenue to the producer who controls the rights to a Sound Recording at the time and date of use.

For example: a phonogram producer whose Sound Recording rights ends on the 30<sup>th</sup> June 2020, will only receive an allocation in respect of any uses received up to the end of June 2020. Thereafter the new phonogram producer will receive any revenues due.

Where airplay is aggregated to an annual level, the system will estimate the splits by pro-rating the allocation based on the proportion of the year each member has controlled the rights. For example, where rights change on the 1<sup>st</sup> July 2020, the revenues will be split 181/184<sup>th</sup> between the old and new phonogram producers.

## 7.5 Performer Allocation Rules:

### 7.5.1. Allocating Revenues to Performers

Each Performer or Contributor on a recording is categorised as a Contracted Featured Performer, Other Featured Performer, a Non-Featured Performer, or a Non - Payable Performer.

For purposes of allocating LaIPA revenues to a performer on a recording, Contracted Featured Performers and Other Featured Performers will be treated the same and referred to as Featured Performers.

LaIPA's method for allocating revenue to performers is based on a Points Based model, where performers are allocated a number of points based on their contribution type and the number of roles they played on the recording; revenue is shared based on these number of points allocated to each performer.

Points are allocated as follows:

- Featured Performers (known to LaIPA as Permanent Group Members, Soloists and Conductors) receive:
  - 6 points each for their primary contribution, and
  - 1 point for each additional contribution (these are treated as non-featured contributions)

For example: a Permanent Group Member who is the Lead Vocalist, but also the Bass Guitarist, and Keyboards Player would be allocated  $6 + 1 + 1 = 8$  Points.

- Non-Featured Performers (known to LaIPA as Invited Artists, Backing Vocalists, Orchestras, Choirs etc.) receive:
  - 1 point each for their primary contribution, and
  - 1 point for each additional contribution

For example: an Invited Artist who plays Backing Vocals, and also the Tambourine would be allocated  $1 + 1 = 2$  Points.

Once the total amount of points is allocated, the performer revenue assigned to the recording is divided by the total number of points, to determine the amount per point.

Amount per Point = Revenue / Total number of Featured and Non-Featured points.

Then the performer's allocation is calculated by the total number of their assigned points by the amount per point.

Performer Allocation = Number of Allocated Points \* Amount per Point

#### Example 1 – Performers with one role

Performer Share	EUR 100.00	
Line Up Counts		
FP Line up Count	1	
NFP line up Count	2	

Linked Performers		
FP Linked	1	Perf 1 (Vocals)
NFP Linked	2	Perf 2 (Guitar), Performer 3 (Piano)
Line-up Status		
Featured Line-up Complete	Yes	These determine whether any money should be reserved for unknown featured performers  Where set to “yes”, the system will take the linked number, where set to “no” the system will take the greater of the count or the linked.
Non-Featured Line-up Complete	Yes	These determine whether any money should be reserved for unknown non-featured performers.  Where set to “yes”, the system will take the linked number, where set to “no” the system will take the greater of the count or the linked.
Points Allocated		
Perf 1 (FP)	6	
Perf 2 (NFP)	1	
Perf 3 (NFP)	1	
Total Points		
FP	6	
NFP	2	
Total Points	<b>8</b>	
Amount Per Point	EUR 12.50	EUR 100.00 / 8 = EUR 12.50
Allocations		
Perf 1	EUR 75.00	Perf 1 (FP) = 6 Points * EUR 12.50
Perf 2	EUR 12.50	Perf 2 (NFP) = 1 Point * EUR 12.50
Perf 3	EUR 12.50	Perf 3 (NFP) = 1 Point * EUR 12.50
	<b>EUR 100.00</b>	

**Example 2 – Performers with multiple roles**

Performer Share	EUR 100.00	
Line Up Counts		
FP Line up Count	2	
NFP line up Count	3	
Linked Performers		
FP Linked	2	Perf 1 (Drums), Perf 2 (Guitar), Perf 2 (Vocals)
NFP Linked	1	Perf 3 (Violin), Perf 3 (Backing Vocals)
Line-up Status		
Featured Line-up Complete	Yes	These determine whether any money should be reserved for unknown featured performers  Where set to “yes”, the system will take the linked number, where set to “no” the system will take the greater of the count or the linked.

Non-Featured Line-up Complete	No	These determine whether any money should be reserved for unknown non-featured performers.  Where set to “yes”, the system will take the linked number, where set to “no” the system will take the greater of the count or the linked.
<b>Points Allocated</b>		
Perf 1 (FP)	6	
Perf 2 (FP)	6	For initial Featured role
Perf 2 (FP)	1	1 for additional role
Perf 3 (NFP)	2	1 for each role
Unknown	2	The Non-Featured Line-up Complete flag is set to no. Therefore the system takes the greater of the count and the linked number as the default line-up. In this case the recording has a NFP count of 3 but only 1 is linked (Perf 3). The distribution system will therefore reserve two points for the 2 unknown NFP allocations.
<b>Total Points</b>		
FP	13	
NFP	4	
Total Points	<b>17</b>	
Amount Per Point	EUR 5.88	EUR 100.00 / 17 = EUR 5.88
<b>Allocations</b>		
Perf 1	EUR 35.29	Perf 1 (FP) = 6 Points * 5.88
Perf 2	EUR 35.29	Perf 2 (FP) = 6 Points * 5.88
Perf 2	5.88	Perf 2 (FP) = 1 Points * 5.88
Perf 3	11.76	Perf 3 (NFP) = 2 Points * 5.88
Unknown	11.76	Unknown (NFP) * 2
	<b>EUR 100.00</b>	

Exceptions:

If the total Non-Featured share is greater than the total Featured share then the Non-Featured share is pro-rated down.

!!! This is done by splitting the performer revenue 50-50 between Featured and Non-Featured Performers and the distribution system will calculate separate FP and NFP point values.

\*If such a possibility exists, an option would be needed to indicate in the phonogram certain performers whose remuneration for the phonogram would, for example, be transferred to a group or choir account - Regardless of the mandate of the performer.

### Example 3 – Exception to the rule

Performer Share	EUR 100.00	
<b>Line Up Counts</b>		

FP Line up Count	1	
NFP line up Count	9	
<b>Linked Performers</b>		
FP Linked	1	Perf 1 (Vocals)
NFP Linked	1	Perf 2 (Drums)
<b>Line-up Status</b>		
Featured Line-up Complete	Yes	These determine whether any money should be reserved for unknown featured performers  Where set to “yes”, the system will take the linked number, where set to “no” the system will take the greater of the count or the linked.
Non-Featured Line-up Complete	No	These determine whether any money should be reserved for unknown non-featured performers.  Where set to “yes”, the system will take the linked number, where set to “no” the system will take the greater of the count or the linked.
<b>Points Allocated</b>		
Perf 1 (FP)	6	
Perf 2 (NFP)	1	
Unknown	8	The recording has a NFP count of 9 but only 1 is linked (Perf 2). The non-featured line-up complete flag is also set to “no”, therefore the distribution system will reserve money for the 8 unknown NFPs.
<b>Total Points</b>		
FP	6	
NFP	9	
As NFP points exceed FP points, the distribution system will adjust the calculation to ensure the NFP allocations don't exceed the FP allocations. The distribution system will divide the performer share in half and calculated separate FP and NFP points values.		
Available FP Amount	50.00	
Available NFP Amount	50.00	
Total FP Points	6	
FP Amount Per Points	8.33	
Total NFP Points	9	
NFP Amount Per Point	5.56	
<b>Allocations</b>		
Perf 1	50.00	Perf 1 (FP) = 6 Points * 8.33
Perf 2	5.56	Perf 2 (NFP) = 1 Point * 5.56
Unknown	44.44	Unknown (NFP) * 8
	<b>EUR 100.00</b>	

### 7.5.2. Performer Mandates

LaIPA will use performer mandate information held in the International Performer Database (IPD) to identify the entities who LaIPA should pay performer payable allocations to. IPD is a system for identifying which CMOs are mandated to collect monies for Performers only.

Where a performer in LaIPA's database does not have an IPN, or has an IPN but the performer's mandate is in dispute in IPD, revenues will be held until the mandate dispute can be resolved. Where the performer contribution is unknown or the performer is an unregistered performer, the recordings revenues are held.

Any performers whose monies are collected directly via agencies, it is the responsibility of LaIPA to add the performer to IPD if not already registered, and for LaIPA to update the mandate picture in IPD to state they have the mandate to collect for the performer in Latvia. For Example: Kobalt that choose to collect monies on behalf of their performers directly from LaIPA.

## **8. Distribution Adjustment Policy**

LaIPA will make adjustments to its distributions in line with its distribution and adjustment's timetable for the duration of its open period/period of limitation.

When a distribution adjustment is made to a previously run distribution the distribution system will recalculate the entire distribution based on the latest available data. This can result in positive or negative adjustments being made to previously calculated allocations.

### **8.1 Positive and Negative Adjustment Policy**

LaIPA will make positive and negative adjustments to recordings and associated member allocations in its distribution adjustments. It is therefore possible for a member to receive positive and negative adjustments to their earnings as a result of changes to data.

For example:

- Where a recording's phonogram producer was unknown at the point of distribution, the distribution system will have allocated the recording's revenue to an unknown phonogram producer reserve account. When the phonogram producer is then identified and associated with the recording, the reserved revenues will be reallocated to the phonogram producer in the adjustment. The member will receive a positive adjustment in respect of this recording/video and the unknown producer reserve will receive a corresponding negative adjustment.
- Where a phonogram producer was believed to control the recording rights for a recording within the exploitation period, they would have been allocated any associated recordings revenue at the point of distribution. If they were then found not to control the recording rights for the exploitation period and are removed from the recording, any associated recording revenues will be negatively adjusted away from them and reallocated to either the unknown producer reserve or the new producer. The old producer will receive a negative adjustment and the unknown producer reserve or new producer would receive a corresponding positive adjustment.

Positive and negatively adjusted allocations will be posted to either known member's accounts, known but disputed member accounts or unknown accounts.

### **8.2 Adjustment Triggers**

Adjustments are triggered by a number of scenarios. These include:

1. Changes to Funds and Profiles
  - a. Addition or removal of revenues

- b. Addition or removal of usage data
  - c. Changes to usage profile weightings
2. Changes to Sound Recording copyright status
  3. Changes to Phonogram Producer
    - a. Unknown Phonogram Producers being identified
    - b. Previous Phonogram Producer being incorrect and changed
    - c. Phonogram Producer dispute being created
    - d. Phonogram Producer disputes being resolved
    - e. Phonogram Producer changes/updates being made
  4. Changes to Performer
    - a. Unknown Performer being identified
    - b. Previous Performer being incorrect and changed
    - c. Change in category of performer
    - d. Addition or removal of role

### **8.3 Changes to Funds and Profiles**

#### **8.3.1. Addition of revenues**

Where additional revenue is added to a distribution, the additional revenue will be pro-rated across the corresponding usage data as identified in the distribution Funds & Profiles. This will result in positive allocations to recordings and recording rights holders.

For example, LaIPA agreed to hold the distribution of 2014 revenue for private copying in June 2015 while it agreed a distribution policy with its Council. This revenue was distributed in December 2015 resulting in additional revenue being available for distribution to rights holders.

#### **8.3.2. Changes to usage profile weightings**

Where a fund uses two or more usage profiles for distribution, these usage files can be weighted. This is often done to ensure a second of usage in one file is equal to a second of usage in the other. It can also be used to value one more influential usage sources greater than another, for example to reflect the larger audience/listenership of one usage dataset over the other.

For example, where a TV Network has two stations, with the first having double the viewers as the second, the first stations usage can be weighted double that of the second according market share.

Similarly, if at the point of adjustment, this weighting needs to be changed, this can be applied to the distribution fund and profile as part of the distribution setup. In which case the prorating of revenues to each usage file will be adjusted appropriately.

### **8.4 Changes to a Phonogram Producer**

#### **8.4.1. Unknown Phonogram Producers being identified**

Where a Sound Recording was previously identified with an unknown phonogram producer that has since been identified, revenues that were previously reserved for the phonogram

producer on the recording can be reallocated to the identified phonogram producers account. This is further detailed below:

Scenario	Previous Phonogram Producer	Current Phonogram Producer	Previous Allocation Account	New Allocation Account
1	Unknown	Unknown	Producer Reserve	Producer Reserve
2	Unknown	Baltic Records	Producer Reserve	Negative to Producer Reserve Positive to Baltic Records Account
3	Unknown	Dispute	Producer Reserve	Producer Reserve

#### 8.4.2. Previous Phonogram Producer being incorrect

Where a Sound Recording was previously identified with a known phonogram producer that has subsequently been identified to have been incorrect, revenues will be recouped from the incorrect producer account and reallocated to the new/correct phonogram producer payable account. This is further detailed below:

Scenario	Previous Phonogram Producer	Current Phonogram Producer	Previous Allocation Account	New Allocation Account
1	Baltic Records	Microfona	Baltic Records Account	Negative to Baltic Records Account, Positive to Microfona Account
2	Baltic Records	Unknown	Baltic Records Account	Negative to Baltic Records Account, Positive to Producer Reserve
3	Baltic Records	Dispute	Baltic Records Account	Negative to Baltic Records Account, Positive to Producer Reserve

#### 8.4.3. Phonogram Producer dispute being created

When a dispute is identified, any revenue previously allocated to a disputed recording will be recouped and reserved until the dispute is resolved. This may be appropriate because the new claimant may be entitled to payment of revenues previously allocated to the other phonogram producer.

Where this occurs, the distribution system will recoup the monies from the previously identified rights holder and hold this revenue in the dispute reserve while the dispute is resolved. If the dispute is resolved in favour of the original producer, the money will be reallocated to them, and if it is resolved in favour of the new phonogram producer, it will be reallocated to the new phonogram producer. LaIPA should use its discretion on whether to try to recover revenues from members that end in an overall negative position, or wait until the amount of the overpayment can be recouped from future allocations.

#### Please Note:

Adjusting revenues previously allocated to a phonogram producer may leave the phonogram producer with a negative balance, which will need to be recouped against future allocations.

#### 8.4.4. Producer disputes being resolved

Where a matched Sound Recording was previously identified with two or more disputed phonogram producers, and that dispute has now been resolved, revenues will be moved from the disputed phonogram producer reserve account to the phonogram producer account.

### 8.5 Changes to a Performer

#### 8.5.1. Unknown Performers being identified

Where a Sound Recording was previously identified with an unknown performer share that has since been identified, revenues that were previously reserved for the performer on the recording can be reallocated to the identified performers account. This is further detailed below:

Scenario	Previous Performer	Current Performer	Previous Allocation Account	New Allocation Account
1	Unknown	Unknown	Performer Reserve	Performer Reserve
2	Unknown	Raimonds Pauls	Performer Reserve	Negative to Performer Reserve, Positive to Raimonds Pauls Account

**Please note:**

Performer shares can be held in the Performer Reserve Account for the following reasons:

- Performer is not registered in LaIPA system
- Performer does not have an IPN, and therefore mandate information cannot be taken from IPD
- Performer has no mandate or a mandate dispute for territory of Latvia in IPD

#### 8.5.2. Previous Performer being incorrect and changed

Where a Sound Recording was previously identified with a known performer who has subsequently been identified to have been incorrect, revenues will be recouped from the incorrect performer account and reallocated to the new/correct performer payable account. This is further detailed below:

Scenario	Previous Performer	Current Performer	Previous Allocation Account	New Allocation Account
1	Arturs Šingirejs	Renars Kaupers	Arturs Šingirejs Account	Negative to Arturs Šingirejs Account, Positive to Renars Kaupers Account
2	Arturs Šingirejs	Unknown	Arturs Šingirejs Account	Negative to Arturs Šingirejs Account, Positive to Performer Reserve

#### 8.5.3. Change in category of Performer

Where a Sound Recording was previously identified with a known performer who has subsequently changed category, all performer allocations will be recalculated taking into account the category change.

Any over allocated revenues will be recouped from relevant performer accounts or paid where a performer has been under allocated. This is further detailed below:

**Please note:**

For this example, we have assumed the following:

- FP and NFP Line up counts are accurate
- FP and NFP are linked
- FP and NFP line-ups are complete

Scenario	Previous Performer	Current Performer	Previous Category	Current Category	Previous Allocation Account	New Allocation Account
1	Arturs Šingirejs	Arturs Šingirejs	FP Vocals 6 points	FP Vocals 6 points	Arturs Šingirejs Account 6/7 points	Negative of over allocated revenue to Arturs Šingirejs Account 6/12 points or 1/2 points
	Linda Kalniņa	Linda Kalniņa	NFP Backing Vocals 1 point	FP Vocals 6 points	Linda Kalniņa Account 1/7 points	Negative of NFP revenue to Linda Kalniņa Account, Positive of FP revenue to Linda Kalniņa Account 6/12 points or 1/2 points

#### 8.5.4. Addition or removal of role

Where a Sound Recording was previously identified with an unknown performer share that has since been identified due to an additional role, revenues that were previously reserved for the performer on the recording can be reallocated to the identified performer's account. This is further detailed below:

**Please note:**

For this example, we have assumed the following:

- FP and NFP Line up counts are accurate
- FP are linked, NFP not linked
- FP line-ups complete, NFP not complete

Scenario	Previous Performer	Current Performer	Previous Role	Current Role	Previous Allocation Account	New Allocation Account
1	Arturs Šingirejs	Arturs Šingirejs	FP Vocals 6 Points	FP Vocals 6 Points	Arturs Šingirejs Account	Arturs Šingirejs Account
	Linda Kalniņa	Linda Kalniņa	FP Vocals 6 Points	FP Vocals 6 Points	Linda Kalniņa Account	Linda Kalniņa Account
	Unknown	Linda Kalniņa	Unknown NFP Unknown role 1 Point	NFP Piano 1 Point	Performer Reserve Account	Negative to Performer Reserve Account, Positive to Linda Kalniņa Account for additional role

### 9. Distribution Closure

LaIPA will stop adjusting revenues after the expiry of the distribution open period. Thereafter any undistributed revenues will be added to the current period's distribution revenue.

### 10. Member Payments

LaIPA will provide member allocation reports and statements. These will provide summaries of member allocations and breakdowns by recording and station on a member by member basis.

LaIPA will only make payments where the rights holder is due in excess of 10 EUR.