
PRS for Music
WORKS
TERMINATION POLICY



Code of Conduct for Members: Policy on Notifying PRS for Music of the Termination, expiration and variation of agreements relating to distributions (“Policy”)

INTRODUCTION

PRS’ and MCPS’ (“we/us/our”) respective membership agreements ask our members to notify us any works in which they have, or acquire an interest during their membership.¹

Collectively, the millions of work notifications made by members form our copyright database. The accuracy of the database depends not only on the good faith and diligence with which individual members manage their respective copyright interests and contractual dealings with each other but also on our members promptly notifying us of any changes to those interests.

The system of notification is therefore fundamental to our ability to conduct effective licensing and royalty collecting activities and to ensure that royalties are paid accurately under our distribution policies

Termination of interests – the issue

Where member A acquires a royalty interest from member B, B will often assume that as A has the greater incentive to notify us of the position, B can rely on A to inform us that B no longer has an interest in the work or agreement concerned. In the majority of cases, where rights move between publishers or from a writer to a publisher, B’s assumption will not be unreasonable in that A will be professionally motivated to notify us of its interest and will be able to produce a copy of a signed agreement with B by way of evidence.

However, B’s reliance on A is less likely to be reasonable in cases where A is not another publisher but is, for example, a writer whose interest has reverted to them from B, or a non-member: A may not be aware of the need to notify us of their interest (they will often rely on B to do this, especially where B is a publisher) or, if they are not a member, will not be in a position to notify us. In these and other cases in which A fails to notify us of their new interest, B’s own corresponding failure to inform us of the termination of that interest means that the copyright database will not reflect the correct ownership picture. This has consequences for our distribution and invoicing operations as well as reputational costs amongst members whose rights are not in fact correctly reflected on the system and who fail to receive distributions as a result.

Our expectations of members

Under our Code of Conduct, we require members promptly to notify us of their interest in works; and to notify us of changes to catalogues as soon as possible.

The purpose of this Policy is to elaborate on these requirements in relation to members’ obligation to inform us of the termination of their interests in a work and claims to a distribution.

1. In this Policy, any reference to:
 - a. a party’s “Distribution Interest” is a reference to that party’s interest under a Relevant Arrangement in receiving distributions of the PRS writer or publisher share of fees and/or MCPS royalties in relation to one or more works;

¹ PRS Rule 3(a) and MA2 clause 10.3.3

- b. "Termination Date" is a reference to the date on which the Distribution Interest comes to an end;
 - c. "Relevant Arrangement" is a reference to any contract or other arrangement (whether in writing or otherwise)² under which a member claims, as against another member, to be entitled to the Distribution Interest.
2. Members are expected to act diligently in respect of copyright administration to ensure the correct owners of works are reflected in our licensing and distribution systems.
3. Members are expected to notify us when they acquire a Distribution Interest in a work or catalogue and if and when that Interest comes to an end. In line with industry custom and practice, we will operate on the presumption that published writer members have discharged the requirement to notify us of their Distribution Interest in the writer share in their respective publishing agreement and that the publisher has taken on responsibility for notifying us of the writer's Distribution Interest when notifying us of publisher's own such Interest in the work].
4. Members should only claim a Distribution Interest or maintain a claim to a Distribution interest in respect of which: they can produce documentation to support that claim upon our reasonable request; and/or they have a genuine belief to be entitled by virtue of a Relevant Arrangement.
5. If and where reasonably requested for confirmation, members should not unreasonably delay confirming that their Distribution Interest has come to an end. For example, if and where a writer claims not to be published by a member claiming to be the publisher of the work, we reserves the right to make further enquiries of the publisher and to request evidence of its entitlement to receive the publisher share of distributions relating to the work.
6. *Notifying PRSfM of Distribution Interest terminations – Publisher requirements:*

We expect members to confirm Termination Dates using the specific [Agreement Termination form](#), ICE CAF form, or via Service Request, as soon as a member is aware that there is to be no extension to the term of their Distribution Interest under the Relevant Arrangement. Where possible, this notification should be provided to us in advance of the Termination Date where known, or failing that, as soon as reasonably practicable after that Date, and in any event within 21 working days of the date on which the member's Distribution Interest in fact came to an end. [Any notice of the Termination Date should specify:

- the actual expiry date of the agreement or other Relevant Arrangement;
- any applicable details of retention and collection periods for effective management of the Pay Owner in Period invoicing and distribution process to enable us to identify the correct owner of the work at the time of usage is paid.]

7. *Disputes and Counter-claims:*

We recognise that the question of whether one party's Distribution Interest has come to an end in favour of another can be the subject of commercial dispute between

² A "relevant arrangement" includes (without limitation) any extension whether express or implied, in writing or otherwise, of a contract term until: the recoupment of an advance; the fulfilment of writing commitments, the service of notice by the grantor of the rights; the exercise of matching options; the conclusion (including the unequivocal termination without a further contract) of renegotiation.

members. We operate a Counterclaims [policy](#) to deal with conflicting or duplicate claims of this nature. Where a duplicate claim is being managed under the Rules, it will not be regarded as a breach of the Code or this Policy if and where the member's refusal to confirm relinquishment or to notify us of cessation of interest is evidenced by production of documents that support an honest belief in the continuity of their claim.

Breaches of the Code and this Policy

Unless the claim to a Distribution Interest in a work is the subject of a commercial dispute between the parties and the subject of our counterclaims policy, any delay or failure on the part of a member to notify or confirm to us the Termination Date of the Distribution Interest may result in the following action being taken against that member if in our reasonable opinion:

- The member's refusal or delay was unreasonable; and/or
- The member has persistently failed in or delayed notifying us of the termination of its interest or its claims to have been interested.

We will not regard any failure or delay as "unreasonable" under this Policy if at the time of such refusal or delay, the Member had an honest belief in their entitlement to their Distribution Interest and/or the continuation of the Relevant Arrangement under which it first arose.

In any cases where in our reasonable opinion, the member's refusal or delay in notifying us of the Termination Date was unreasonable and/or persistent -

- We will write to the member formally to notify them of the breach and setting out the steps that we require the member to take to remedy that breach ("the Warning").
- Where the member unreasonably refuses to adhere to or respond to the formal Warning, we will write to notify the member of its intention to escalate the matter to the Board and prepare a paper for consideration by the Directors, including, if requested by the member, a written submission of the member's position.
- After consideration of the Paper, the Board may resolve and will inform the member of its intention, to do one or more of the following:
 - o Renew or withdraw, as the case may be, the Warning;
 - o Withhold future distributions from the Member if in the reasonable opinion of the Board, the member is not or no longer interested in distributions relating to the work;
 - o To terminate the member's membership;
 - o commence legal proceedings against the member (if in the reasonable opinion of the Board, the member's conduct amounts to a breach of the membership contract);
 - o notify regulatory or other authorities if in the reasonable opinion of the Board the member's conduct is dishonest or in contravention of any other legal obligation).

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