

## FAQs

### **Do I pay on sales?**

No. Royalties are calculated on net shipments and are payable every calendar quarter, in arrears.

### **How are net shipments calculated?**

A royalty accrues to MCPS when a product is shipped from the distribution centre. The net figure is calculated by taking the gross quantity shipped out less returns within the same quarter, and less other adjustments, such as promotional copies and any negative balance brought forward from a previous quarter on the same catalogue number & format.

### **What is PPD?**

'Published Price to Dealer' or 'Published Dealer Price'. For the purposes of the AP1, DVD1 and AVP agreements, this means the highest price payable by any dealer (retailer) without applying any discounts and price reductions etc.

### **How do I account details of shipments under AP1?**

A statement detailing what shipments have been made during the quarter is submitted to MCPS. The information must be produced in a format acceptable to MCPS. Contact your account manager for further details.

### **What are the promotional allowances?**

Unlimited if you are able to comply with the criteria set out in the AVP Agreement.

### **What are the accounting deadlines?**

The statement of shipments must be received by MCPS no later than 21 days from the end of each calendar quarter (21st April/ 21st July/ 21st October/ 21st January). We will prepare and send an invoice within 17 days of this date and payment must be made into our bank account by irreversible bank transfer (BACS) by no later than day 45.

### **How do I get an AP1/DVD1/AVP agreement?**

In the first instance, you should contact MCPS Licensing at [applications@mcps.co.uk](mailto:applications@mcps.co.uk) or by phoning +44 (0)20 3741 3888. You will be

passed to an MCPS Licensing Consultant, who will discuss the suitability of each agreement for your business. An application form will be completed by you, and sent to MCPS. The application is put before the next available board meeting of MCPS for our directors to decide whether to grant a Licence.

### **How long is the application procedure likely to take?**

This will vary with each application. MCPS will process all AP1/DVD1/AVP applications promptly but will be reliant on timely replies from, for example, referees and the supply of any information needed from the applicant.

### **Will I have to provide financial guarantees?**

This will depend on the financial status of your company. Should some form of guarantee be required, it will usually be in the form of deposits alongside the compulsory requirement to sign up to the monthly 'pay as you go' direct debit scheme.

### **If I apply for AP1/DVD1/AVP will I have to be audited first?**

If you have not recently been audited, we may require an audit check to be carried out as part of the AP1 application process. In any event, we aim to audit all new AP1/DVD1/AVP companies within one year.

### **Are there export provisions?**

There are provisions under AP1/DVD1/AVP for exporting royalty paid or royalty free.

### **Why do I need to set up a Copyright Control or Dispute Account?**

The AP1/DVD1/AVP Agreement specifies that separate bank accounts are to be maintained for royalties due to works that are designated either Copyright Control or Disputed. If MCPS notify you that a work is in either category, the royalties should be placed in the appropriate account until either the owner is identified or the dispute is resolved.