

MASTER RECORDING LICENCE CHECKLIST

THIS IS A CHECKLIST OF KEY DEAL POINTS AND ISSUES IN A MASTER RECORDING LICENCE. IT DOES NOT COVER EVERY ISSUE THAT MIGHT ARISE. EVERY DEAL IS DIFFERENT IN SOME WAY. YOU SHOULD GET LEGAL ADVICE ON LEGAL AGREEMENTS BEFORE YOU SIGN THEM. BUT THIS CHECKLIST IS A GREAT STARTING POINT.

This checklist refers to the owner of copyright in the master recording as the "Licensor."

The Licensor is usually an independent artist or a record label. The individual or company getting permission to use the master recording is referred to as the "Licensee".

Remember to check out the Master Recording Licence Fact Sheet for further information.

1. MASTER OWNER'S DETAILS (LICENSOR)

- 1.1. Is the Licensor a company or individual(s)? Use the correct entity name, trading name (if any) and ACN or ABN.
- 1.2. Is the recording jointly owned? If so, consent of all owners will be required for use of copyright in the recording.

2. DETAILS OF PERSON OR COMPANY OBTAINING LICENCE (LICENSEE)

Is the Licensee a company or individual(s)? Use the correct entity name, trading name (if any) and ACN or ABN.

3. TERM

- 3.1. Commencement date.
- 3.2. Length of Term.
- 3.3. Does the label (as a Licensee) have options for further recordings?

4. TERRITORY

- 4.1. Australia, USA, world, world excluding Australia?
- 4.2. Different for digital and physical? E.g. exclusive in one territory for physical but non-exclusive for digital?

5. TRACK DETAILS

- 5.1. Title of each track, and if relevant, album or EP title.
- 5.2. Name of artist.
- 5.3. Name of composer(s) and any publishers of songs recorded.
- 5.4. Any bonus material, such as video clips or remixes?
- 5.5. Any metadata? (e.g. ISRC Code, ISWC Code, country of origin, copyright owner(s), date of registration and the designation number for each track.)
- 5.6. Format, method, and time of delivery? What is to be delivered? E.g. mixed and mastered audio files, any stems, artwork, all metadata and an electronic press kit.
- 5.7. Label's credit line on metadata or physical product, e.g. and © [year] [copyright owner] distributed [exclusively?] by [:Licensee name].

6. RIGHTS OF LICENSEE

- 6.1. Exclusive?
- 6.2. What rights are being granted? (E.g. rights to reproduce, manufacture copies and packaging/artwork, commercially release, stream via digital music services, cause to be heard in public, distribute the recordings and collect income from their use.)
- 6.3. Can the Licensee also license compilations, samples, remixes, sync licenses for audio-visual uses such as product advertisements, films, games and other media productions? If so, what approval rights will Licensor have?
- 6.4. Limitation on use of rights (copyright notices, format, or media)?
- 6.5. What rights are reserved? (E.g. non-exclusive digital, granting worldwide syncs originating outside the contract Territory, direct sales via artist socials or at shows?)
- 6.6. Right to use artist's name, likeness and biography to promote sales? What kind of approval rights does Licensor have?
- 6.7. Any videos?
- 6.8. Who looks after copyright clearances, such as for samples or artwork?
- 6.9. Post-Term sell-off rights for physical product? (If so, 3, 6 or more months?)
- 6.10. Does Licensee also seek admin credentials to the Licensor's social media channels, or monetisation rights?

7. MECHANICALS

Who pays the owners or controllers of the musical compositions on the recordings? Is it the Licensor or Licensee? (Preferably the Licensee as they're making the reproductions, but some digital services put the obligation on the Licensor.)

8. RELEASE COMMITMENT

- 8.1. Does Licensee have to achieve a commercial release by a certain date? Does that date differ between digital and physical formats? (Timing of release?)
- 8.2. Territory by territory reversion, or termination of agreement if not released within specified time frame?

9. PROMOTION AND MARKETING

- 9.1. What is the promo and marketing plan?
- 9.2. Who covers costs of promo and marketing? If the Licensee pays, are these costs recoupable? If so, "off-the-top" or from the Licensor's royalty?
- 9.3. Can the Licensee provide details of the costs, sample budgets (and so on)?
- 9.4. Does the Licensor have any approval right or consultation rights over promo and marketing material?

10. ADVANCE AND ROYALTIES

- 10.1. Is there an advance on royalties (recoupable or repayable)?
- 10.2. Amount and calculation of licensee's royalties:
 - a) Royalty base price – is it "Net Receipts"? How is that defined?
 - b) Sundry and licensing income splits.
 - c) Video income.
- 10.3. Deductions, costs, and fees (manufacture, packaging and tax, mechanical royalties if Licensee pays?).

11. ACCOUNTING AND AUDITING

- 11.1. How often does the Licensee account?
- 11.2. What information is the Licensee required to provide when accounting to the Licensor (income from exploitation, costs and deductions)?
- 11.3. Does the Licensor have a right to inspect the Licensee's records, and how frequently?
- 11.4. Are there any time limits on when the Licensor can inspect records?
- 11.5. Will the Licensee pay for reasonable audit costs if an underpayment is discovered?

12. TERMINATION

- 12.1. Timing (who can terminate and when?).
- 12.2. Can any party terminate for convenience, or only for an uncured breach or insolvency?
- 12.3. Termination: for physical products, is the stock returnable? Does the Licensor get a sell-off period? Can the Licensor buy it back at cost or some other discount?
- 12.4. Termination: for digital products:
 - a) Timing of take downs, arrangement about updating registration with PPCA, SoundExchange and other collecting organisations?
 - b) Return, transfer or release of metadata and any social media credentials.

For more information, you can speak to your local Industry Association, the Arts Law Centre of Australia or a legal practitioner.



This checklist is an initiative of the Australian Music Industry Network. For more information visit www.amin.org.au.