REGULATIONS ON PROCEDURES FOR ROYALTIES DISTRIBUTION AND PAYMENT

APPROVED
by the RAO Authors' Council Resolution
 # 9 of May 26, 2016

REGULATIONS
on procedures for royalties distribution and payment

1. General Provisions

1.1. The present Regulations on royalties distribution and payment (hereinafter "Regulations") establish the procedure for distribution and payment of royalties collected by the All-Russian Non-Governmental Organization "Russian Authors' Society" (RAO) during the exercise of its statutory functions of collective management of rights:

- for public performance, broadcast into the air or via cable, including by way of retransmission of published musical works (with or without text), excerpts from dramatico-musical works and small form literary works (piece of poetry, short story, etc. – hereinafter "literary works");

- during exercise of rights of composers – authors of musical works (with or without text) used in an audiovisual work to receive remuneration for public performance or broadcast into the air or via cable of such audiovisual work.

1.2. The present Regulations have been worked out in conformity with the Civil Code of the Russian Federation and other acts of legislation, the Statute of RAO and its other regulatory documents, and the documents of the CISAC.

1.3. The terms as used herein shall have the following meaning:

AVW – audiovisual work;

RAO DB, RAO data base – an integrated population of data on the rightowners, works and the rights thereon registered in RAO, and other information enabling RAO to collect, distribute and pay out royalties to the rightowners and royalty recipients;

genre of the work – a category used for classification of works; a list of genres of works is given in Annexes 1 and 2, which are a part of the present Regulations;

registered work – a work registered in RAO as indicated in the Regulations on registration procedure for rightowners and works approved by the General Director of RAO (in its respective valid version);

foreign organization – an organization for collective management of rights, which operates in the territory of a foreign state and has a mutual representation contract with RAO;

international data bases, international DB – an integrated population of data on rightowners, works and the rights thereon (WID, CIS-Net, IPI) registered in foreign societies;

non-registered work – a work in regard of which registration requirements as specified in the Regulations on registration procedure for rightowners and works approved by the General Director of RAO (in its respective valid version) have not been fulfilled;

user – a natural person or a legal entity using the works by means of public performance, broadcasting into the air or via cable;

royalty recipient – a natural person or a legal entity who is not a rightowner and who is entitled to receive royalties by virtue of a contract with the rightowner, or by virtue of the law;

rightowner – a natural person or a legal entity who has the exclusive right on a work by operation of law, by virtue of a contract of alienation of the right and on other legal grounds, or because he signed with the owner of the exclusive right on the work a licensing contract giving him the right to use the work without reserving for the licensor the right to issue licenses to third parties (exclusive license), or has the right to receive royalties for public performance, broadcasting into the air or via cable of musical work (with or without text) used in an audiovisual work;

work – a published musical work (with or without text), an excerpt from dramatico-musical work, literary work and musical work (with or without text) used in an audiovisual work;

RAO distribution system – a computer-aided system used for automated distribution of royalties.

statistical data – information on the use of works by Russian and foreign authors obtained by methods of statistical analysis and developed inter alia with reference to the user reports, RAO data base and other sources.

partially registered work – a work, which has two or more rightowners and one of them fulfilled conditions on work registration specified in the present Regulations on registration procedure for rightowners and works, approved by RAO General Director (in its respective valid version);

"**extremist work**" **–** a musical work, held by any court in accordance with current legislation to be extremist and enrolled by the Ministry of Justice of the Russian Federation on the list of extremist materials and posted on the web-site of the aforementioned Ministry.

Other terms and definitions, used in the Present Regulations, shall be used in the meaning, defined by the acting legislation.

2. Distribution of royalties

2.1 Distribution of royalties collected in the territory of the Russian Federation

2.1.1 Basic principles

2.1.1.1. In accordance with RAO Statute, Point 4, Article 1243 of the Civil Code of The Russian Federation distribution of royalties shall be carried out on a timely basis at least four times per annum.

2.1.1.2. Royalties distribution shall be effected on the basis of usage reports and information, contained in the RAO Common Information System (hereinafter "line mode identification method").

Content and form of the reports shall be established in licensing agreements and agreements on royalties payment, signed between users and RAO.

Subject to the stipulations of the present Regulations, if documentary data enabling distribution can't be obtained due to the objective cause and if the distribution with usage of line mode identification method on the basis of usage reports is not economically feasible, the collected amount can be distributed by reference to statistical data.

2.1.1.3. In order to be accepted for distribution, usage reports must be filed in due form and contain sufficient data for the allocation of royalties.

Usage report shall be deemed inadequate if:

- it has not been produced in the due form prescribed in the contract;
- it has not been sealed and signed by the user's authorized representative;
- its mandatory information columns have not been filled out;
- it does not state the names of authors and/or the title of works;
- it contains information in one of the Russian Federation national languages without translation into Russian;
- it contains information in the national language of one of the CIS countries without translation into Russian or transliteration (Cyrillic alphabet);
- Latin letters are used in the spelling of Russian works titles or authors names;
- foreign works titles or authors names are written in Cyrillic alphabet or Russian translation;
- its font size is less than 12;
- it has been produced in handwriting (exception can be made in regard of circus, New-Year party, theatricalized performances and live concerts).

If so, the usage reports shall be forwarded to the user for refinement (and deemed not to have been submitted).

If the usage reports is forwarded to the user for refinement, the royalties accompanied by such usage reports shall not be allocated until it is submitted in due form.

When appropriate, the user can be requested to assess additional royalties and submit the corresponding report documentation.

The requirements of the present Article can be applicable to other documentation which is to be submitted by the user under the contract and which provides the basis for distribution (musical reference, etc.).

2.1.1.4. Usage reports shall be processed, i.e. its data shall be entered into RAO distribution system, only if the amounts pertaining to the said usage reports have been received by RAO.

2.1.1.5. The distribution shall include protected works by Russian and foreign authors with the exception of works the rights on which have been duly taken by the rightowner from RAO management in manner, established by RAO local regulatory documents.

2.1.1.6. Royalties credited for:

- non-registered works;
- non-registered part of partially registered works,

shall be set aside for three years starting from the moment of distribution.

In such a case, due efforts shall be made to find, identify works and authors and also to register the works and rightowners.

Once the work, authors/rightowners are identified and registered, the reserved royalties shall be paid out in accordance with the established procedure.

If after the expiry of the three-year period, no information required for effecting distribution has been received, the reserved royalties shall be allocated for redistribution on the basis of statistical data.

2.1.1.7. The distribution in regard to the works, which are derivative of the original work (text modification, arrangement, text translation, etc.) shall be implemented in accordance with the provisions of the agreement or other document enabling such modification.

In case the document enabling the modification doesn't contain shares allocation between original work author and arranger it shall be considered, that arranger royalties share is not allocated.

Amendments introduction to an original work without rightowner permission is not allowed.

If usage reports contain information on the works modified to some extent and furthermore there is no any agreement (any other document) on amendments introduction to an original work the royalties shall be accrued the original work rightowner.

2.1.1.8. Penal sums (fines and penalties) charged by RAO from users shall be distributed in accordance with the present Regulations for royalties distribution.

2.1.1.9. Sums of inflicted damage, compensations or other sums RAO received as a result of non-judicial resolution of problems connected with rightowners' rights violation shall be distributed in the order stipulated by the present Regulations to assign the royalties.

2.1.1.10. Indemnification sums, compensations and other sums RAO received as a result of judicial adjudication of disputes (under the court decision) connected with rightowners' rights violation shall be distributed as follows.

In case RAO has at its disposal a final judgment, which awarded to the organization sums of indemnification, damages recovery and other sums for the purposes of the present Regulations these sums shall be deemed as royalties and distributed in favour of rightowners with regard to works and rightowners registration data contained in RAO data base, international data bases, fiches international and other documentation, including RAO contracts and agreements.

2.1.1.11. Considering that RAO doesn't collect royalties for usage of extremist works distribution of royalties for such works shall not be implemented.

2.1.2 Russian repertoire royalties distribution Regulations

2.1.2.1. Works usage reports shall be processed with reference to the RAO DB information on the works and rightowners registration.

During the usage reports data-processing operation, the works shown in the reports are identified and searched in the RAO DB.

2.1.2.2. If the work title and the names of the authors information in the usage reports match the corresponding registration data in the RAO DB, but the work's genre does not match, the royalties shall be credited in accordance with the work registration in the RAO DB, unless provided by the present Regulations.

If, in accordance with the usage report, a musical work was used as, or included into a commercial, spot, bumper or signature tune, royalties are calculated in accordance with coefficients, set for commercials, spots, bumpers or signature tunes.

2.1.2.3. If the RAO DB does not contain the work that fully matches the work shown in the usage reports, the RAO DB shall be searched for the following variants:

- works whose authors fully match the authors shown in the usage reports and its title matches on the basis of transliteration;

- works whose authors fully match the authors shown in the usage reports and its title matches given the digits are written in words;

- works whose authors fully match the authors shown in the usage reports and its title in the RAO DB or in the reports appear as a fragment (line) of the text of the work.

If one of the aforementioned variants is found in the RAO DB, decision on the logging of the usage reports data into RAO distribution system shall be taken by an authorized executive officer.

2.1.2.4. If the work shown in the usage report does not exist in the RAO DB (with regard to the aforementioned assumptions), the information on such work shall be entered into the RAO DB and RAO distribution system on the basis of the usage report with a remark about the absence of registration (as non-registered work).

The amount of royalties credited for such work shall be reserved in accordance with Point 2.1.1.6 of Section 2.1.1 Basic Principles.

The reserved royalties shall be distributed among the rightowners (royalty recipients) and paid off after the work is registered in the RAO DB. However, the amount of royalties credited for the work shall not be reassessed.

2.1.3 Foreign repertoire royalties distribution Regulations

2.1.3.1. Usage reports containing foreign works shall be processed on the basis of works and rightowners registration information in the RAO DB according to the procedure set forth in Section 2.1.2 above.

2.1.3.2. If the work shown in the usage reports does not exist in the RAO DB, the information on such work shall be entered into the RAO DB and into the distribution system on the basis of international fiches received from sister Societies and the data in the international data bases.

2.1.3.3. If the work shown in the usage reports does not exist in the international data bases or the work exists in the international data bases but the shares information is not available and at least one of the authors (rightowners) and his sister society affiliation is known, the distribution shall be effected in accordance with the CISAC Regulations (Lack of Documentation).

2.1.3.4. If the work shown in the usage reports does not exist in the RAO DB and international data bases, information on such work shall be entered into the RAO DB and into the RAO distribution system on the basis of the user reports marked “absence of registration”.

Royalties credited for such work shall be reserved in accordance with Point 2.1.1.6 of Section 2.1.1 Basic Principles.

According to the CISAC Regulations, information on such works shall be forwarded to sister Societies (“BLANK BOX”) and to sub-publishers operating in the Russian Federation territory with the purpose of determining ownership of any foreign organization and/or rightowner in regard to these works.

2.1.4 Specifics of distribution of royalties collected for communication to the public of musical works (with or without text), excerpts from dramatico-musical works and literary works through broadcasting and cablecasting

2.1.4.1. Royalties paid by users for communication musical works to the public through broadcasting and cablecasting on the territory of the Russian Federation shall be distributed on the basis of usage reports using line mode identification method in the following instances:

2.1.4.1.1. If royalties sum contained in a licensing agreement (or calculated in accordance with conditions of a licensing agreement) with a user, communicating works to the public through broadcasting or cablecasting via TV transmission is 167 000 Rubles and more per one month of a reporting period.

2.1.4.1.2. If royalties sum contained in a licensing agreement (or calculated in accordance with conditions of a licensing agreement) with a user, communicating works to the public through broadcasting or cablecasting via radio transmission is 34 000 Rubles and more per one month of a reporting.

2.1.4.1.3. Sums of royalties shall be paid by categories of users specified in a relevant Resolution of RAO Authors' Council.

2.1.4.2. In distribution (using line mode identification method) of royalties collected for communication to the public of musical works (with or without text), excerpts from dramatico-musical works and literary works through broadcasting and cablecasting shall figure on:

- the number of performances of each work (excerpt from a work);
- duration of the work in seconds;
- the genre of the work.

2.1.4.3. For all musical works (with or without text), with the exception of those included in an audiovisual work, in regard of which usage reports do not have information on their duration, a 3 minute duration shall be applied.

Total duration of musical works (with or without text), used as, or inside commercial, cannot exceed the following limits[1]:

a) on TV – 19710 minutes per quarter (or 6570 minutes per month)
b) on Radio – 26280 minutes per quarter (or 8760 minutes per month).

If the limits above are exceeded, royalties shall be calculated, using a decreasing coefficient, equal ti the ratio of the limit to the actual total duration of commercial, reflected in the user's report.

2.1.4.4. Royalties sums remitted by users, communicating works to the public through broadcasting or cablecasting on the territory of the Russian Federation shall be distributed by reference to statistical data in the following instances:

2.1.4.4.1. If royalties sum contained in a licensing agreement (or calculated in accordance with conditions of a licensing agreement) with a user, communicating works to the public through broadcasting or cablecasting via TV transmission is less than 167 000 Rubles per one month of a reporting period (except users specified in a relevant Resolution of RAO Authors' Council).

2.1.4.4.2. If royalties sum contained in a licensing agreement (or calculated in accordance with conditions of a licensing agreement) with a user, communicating works to the public through broadcasting or cablecasting via radio transmission is less than 34 000 Rubles per one month of a reporting period (except users specified in a relevant Resolution of RAO Authors' Council).

2.1.5 Specifics of distribution of royalties collected for public performance of musical works (with or without text), excerpts from dramatico-musical works and literary works

2.1.5.1. Royalties paid by users for public performance of musical works on the territory of the Russian Federation shall be distributed on the basis of usage reports using line mode identification method in the following instances:

2.1.5.1.1. If royalties sums are remitted by users organizing "live" public performance of works by virtue of a licensing contract, which provides a permission exclusively for "live" public performance;

1 The limits for total duration time of commercial are set by Clause 3, Article 14 and Clause 2 Article 15 of the Federal Law #38-FZ of March 13, 2006, "On Commercial"

2.1.5.1.2. If royalties sums are remitted by users organizing public performance of drama, dramatico-musical and other works within plays, amateur concert parties, theater benefit performances, New Year's, theatrical, circus performances and other.

2.1.5.1.3. Sums of royalties shall be paid by categories of users specified in a relevant Resolution of RAO Authors' Council.

2.1.5.2. In distribution of royalties collected for public performance of musical works (with or without text), excerpts from dramatico-musical works and literary works using line mode identification method shall figure on:

- the genre of the work;
- the number of performances of each work (excerpt from a work).

2.1.5.3. Royalties for public performance shall be distributed against the following particularities:

2.1.5.3.1. Theatricalized, New-Year's parties and variety performances

Distribution for theatricalized, variety and New-Year's performances based on a single plot shall be distinguished:

- the main program represented by a literary work with a single plot. The main program also includes musical accompaniment if it was written specially for the said performance;
- inserted items represented by the previously created musical works (with or without text) or literary works included in the said performance.

The royalties for inserted items and the main program shall be credited as follows:

a) If the main program has musical accompaniment:

the amount distributed for inserted items shall depend on the number of works performed in the latter:

- 1 to 3 works – 5% of the aggregate assessed amount;
- 4 to 5 works – 10% of the aggregate assessed amount;
- more than 5 works – 1/3 of the aggregate assessed amount.

the remaining amount shall be credited to the main program.

Distribution among authors (rightowners) of the main program shall be in the following proportion:

- 3/4 – to lyric writer, 1/4 – to composer, if otherwise is not provided for in the agreement between them.

b) If the main program does not have musical accompaniment (text only), royalties shall be distributed as follows:

- 2/3 – to the main program lyric writer;
- 1/3 – pro rata among all inserted items.

2.1.5.3.2. Concerts ("live" performance)

If in a recital, along with the main performer some other performing artists participate opening the main program, the royalties shall be allocated in the following order:

The amount of royalties due for the works performed by other artists (depending on the number of the works performed) shall be:

- 1 to 5 works – 5% of the aggregate assessed amount;
- more than 5 works – 10% of the aggregate assessed amount.

The remaining part of the aggregate assessed amount shall be credited to the works performed by the main performer.

2.1.5.4. Sums of royalties paid by users for public performance of musical works on the territory of the Russian Federation not indicated in sub points 2.1.5.1.1. – 2.1.5.1.3. of the present Regulations shall be distributed on the basis of statistics.

RAO shall have the right to distribute royalty sums below 1.000 Rubles, listed in sub point 2.1.5.1 of the present Regulations, on the basis of statistics.

2.1.6. Distribution of royalties collected for the public performance or broadcasting into the air or via cable of musical works (with or without text) used in an audiovisual works

2.1.6.1. Distribution of royalties collected for public performance or broadcast into the air or via cable of musical works (with or without text) used in an audiovisual work shall be effected using line mode identification method on the basis of usage reports data, RAO data base information and, when appropriate, statistical data.

2.1.6.2. All audiovisual works (Russian and foreign) containing copyright protected musical works (with or without text) shown in the usage report shall be included in the distribution.

2.1.6.3. Information about musical works included in an audiovisual work, their duration and authors and rightowners data are stated in the producer's musical reference (for Russian audiovisual works) or in the CUE-sheet (for foreign audiovisual works).

The royalties for the use of musical works in an audiovisual work shall be allocated using line mode identification method pro rata to the duration of each work.

The amount allocated to musical works used in the audiovisual work shall be distributed among the rightowners (royalty recipients) according to the RAO DB notification data.

2.1.6.4. The amount allocated for an audiovisual work in regard to which no distribution enabling information is available (lack of a musical reference, CUE-sheet) shall be put aside for three years from the moment of distribution.

If upon the expiry of the three-year period, no information required for the carrying out distribution has been received, the said amount shall be redistributed by reference to statistical data, collected for this reason.

2.1.6.5. Gathering of distribution enabling information (musical references, CUE-sheets) shall be carried out through the international data bases, by way of queries to sister Societies (with regard to foreign audiovisual works) and to the producers of audiovisual works – TV channels, motion picture studios and the State Cinema Committee archives (with regard to Russian audiovisual works).

The distribution enabling information gathering activity in regard to the audiovisual work is carried out each time it is shown in the user reports and can be discontinued if it has been proved impossible to obtain the requisite data.

2.1.6.6. Royalties distributed for:

- non-registered musical works within an audiovisual work;

- non-registered part of partially registered musical works within an audiovisual work,

shall be put aside for three years from the moment of distribution.

If in the course of a three-year period the distribution enabling information hasn't been received, the amount of royalties reserved shall be re-distributed in accordancw with statistical data, collected for this purpose.

2.1.6.7. If in the course of a three-year period from the moment of distribution, the distribution enabling information has been received and the musical works have been identified or notified, the amount of royalties reserved earlier shall be allocated among the rightowners (royalty recipients) and paid out according to the established procedure.

2.1.7 Specifics of distribution of royalties collected for public performance of audiovisual works (movie theaters)

2.1.7.1. The amount of royalties for public performance of musical works within an audiovisual work shall be shown in the user reports in regard to each audiovisual work.

Distribution of the said amount shall be effected in accordance with point 2.1.6.3 above.

2. If the total sum of the user's report is no more than 5.000 Rubles, of the the amount of royalties per one audiovisual work for the overall number of shows is less than one hundred rubles, RAO can distribute such amounts on the basis of statistical data, collected for this purpose.

2.1.8. Specifics of distribution of royalties collected for the communication into the air or via cable of audiovisual works (television)

2.1.8.1. The amount of royalties collected for the communication into the air or via cable of musical works used in an audiovisual work shall be assessed on the basis of the total duration (in seconds) of the musical works in the audiovisual work. Distribution shall take into account musical genre coefficients for musical works (with or without text) (Annex 1), and musical genre coefficients for AVWs (Annex 2).

The total duration of musical works within an audiovisual work shall be determined per musical reference or CUE-sheet data.

2.1.8.2. If at the time of filing of the usage report, information on the musical works within an audiovisual work needed for effecting distribution is not available, over one month period information gathering activities shall be carried out in order to obtain the lacking data and log it into the RAO distribution system.

2.1.8.3. If upon the expiry of a period indicated in the point 2.1.8.2. above, no validated information about the works duration (musical references, CUE-sheets) has been received, their duration shall be determined as follows:

Full-length film (feature, television, animated) of total duration over 50 min.	900 seconds
Multi-episode feature film (up to 20 episodes)	900 seconds per each episode
Short-length film (feature, television, animated) of total duration from 10 to 50 min.	420 seconds
Documentary film	450 seconds
Multi-episode documentary film	450 seconds per each episode
Picture play	420 seconds
Reality show	300 seconds

Documentary loop	300 seconds per each episode
Musical film (feature, TV, animated)	1200 seconds
Serial film (feature, feature-television, television, animated)	300 seconds per each episode
Mini-serial film (television, animated)	60 seconds per each episode
Animated series	60 seconds per each episode
News-reels	180 seconds
Film (documentary, animated) of less than 10 minutes duration	total duration of film
Advertising/Commercial	15 seconds

The above Regulations of determining the duration of musical works used in an audiovisual work shall be followed if the duration of a work has not been determined according to the previously applicable Regulations prior to the coming into force of the present Regulations.

2.1.8.4. The royalties allocated to audiovisual works under the Regulations in the point 2.1.8.3. above shall be put aside in keeping with the point 2.1.6.4. until the receipt of the information enabling carrying out further distribution.

After the receipt of the requisite information, no fresh accounts of allocated royalties shall be made.

2.1.8.5. Royalties for musical works (with or without text), used in commercial, shall be calculated in accordance with rules, set by the point 2.1.4.3 of the present Regulations.

2.2. Distribution of royalties remitted by sister societies

2.2.1. Distribution of royalties collected by a foreign sister Society under mutual representation contracts with RAO shall be effected on the basis of their distribution statements.

2.2.2. Distribution statements submitted by a foreign sister Society in hard copy and/or electronic format contain the following information:

- audiovisual work title (in regard to distribution for the musical works used in the audiovisual work);
- musical work title;
- rightowner's name;
- rightowner's share (percentage);
- royalties amount due to each rightowner in the currency of a sister Society country.

2.2.3. Distribution of royalties remitted by a sister Society shall be effected with reference to the distribution statement information and RAO data base registration data.

2.2.4. Distribution of royalties remitted by a sister Society shall be in US dollars.

2.2.5. Distribution statements submitted in due form shall be distributed on, provided the corresponding amounts of royalties have been remitted to the RAO account.

2.2.6. If the sister Society distribution statement information does not agree with the RAO Data Base registration data, distribution shall be carried out with reference to the latter.

If it is determined that a musical work in the distribution statement is assessed an excessive amount of royalties, such amount shall be returned to the remitting sister Society together with the documentation containing data on the work registration in the RAO Data Base (international fiche).

If a work is not credited royalties in full, the amount shown in the statement shall be distributed among all rightowners (royalty recipients) according to RAO registration data and the sister Society shall be sent the international fiche and shall be requested to assess the required additional amount.

2.2.7. In case of finding in the sister Society distribution statement works that do not belong to RAO repertoire and/or rightowners from other societies, the respective amounts are to be sent back.

2.2.8. If the distribution statement shows the returned royalties that RAO has earlier sent by mistake to a sister Society, the said amounts shall be redistributed on the basis of the updated information.

3. Deductions from royalties

3.1. Pursuant to the Sub-paragraph 2. of the Point 4. of the Article 1243 of the Russian Federation Civil Code, RAO shall make deductions from collected royalties to cover the costs of collection, distribution and payment of royalties.

3.2. The said amounts are deducted at the moment of the transfer of royalties to the personal account of the rightowner (royalty recipient).

3.3. The size of the deducted amounts shall be established by RAO regulations in accordance with its Statute.

3.4. In the cases provided for by the effective legislation, RAO shall perform the functions of a tax agent and shall withhold and transfer to the budget the corresponding amounts of taxes from the royalties credited to the rightowner (royalty recipient) during distribution.

3.5. In the cases provided for by the effective legislation (in particular, by virtue of enforcement orders), RAO shall withhold other amounts from the royalties due to the rightowner (royalty recipient) and shall transfer those amounts to the specified beneficiary.

4. Procedure and periods for payment of royalties

4.1. In accordance with RAO Statute payment of royalties shall be carried out on a timely basis at least four times per annum.

4.2. Payments of royalties collected in the territory of the Russian Federation for the use of works shall be made on a monthly basis.

Payments of royalties collected in the territory of the Russian Federation for musical works used in an audiovisual work shall be made on a monthly basis (with regard to broadcast into the air and via cable) or quarterly (with regard to public performance).

Payments of royalties received from sister Societies shall be made **quarterly** (in Rubles).

Remittances to the sister Societies shall be made on a timely basis according to the schedule established by the contracts with the latter. Returned royalties shall be sent to the sister Societies together with the scheduled remittances.

4.3. Payment of royalties distributed for the works found to be in dispute according to the Regulations on registration procedure for rightowners and works shall be suspended until the parties involved in the dispute submit the documents proving that the dispute has been resolved.

4.4. The royalties that had been put aside in accordance with the Points 2.1.1.6, 2.1.6.4, 2.1.8.4 of the present Regulations shall not be paid before works identification and registration in RAO DB in accordance with the Regulations on registration procedure for rightowners and works approved RAO General Director.

Payment of the royalties that had been put aside and then credited to the rightowner (royalty recipient) following subsequent identification and/or registration of works in the RAO DB, shall be made together with the scheduled royalty payment, if by the time of identification and registration the sums of reserved royalties were not redistributed on the basis of statistics in accordance with the present Regulations.

4.5. The royalties due paid in the amount less than the limit established by the present point shall be paid after their accumulation up to this limit, but until the end of the calendar year, in which the sums were accrued.

The aforementioned limit is put in the following sizes:

- in regard to royalties paid in Russian Rubles – 2 000 Rubles;
- in regard to royalties paid in foreign currency – 100 USD.

ANNEX #1
to the Regulations on Procedures for Royalties Distribution and Payment

LIST OF GENRES,
assigned to musical works at registration in RAO Registry for further distribution of royalties

Genre	Lyricist	Composer	Author of Choreography	Author of pantomime	Costume designer	Coefficient for public performance	Coefficient for Radio and TV
Intermission	-	100	-	-	-	6	2
Aria	33	67	-	-	-	18	4
One-act ballet (music)	-	100	0	-	-	100	8
One-act ballet (music, choreography)	-	75	25	-	-	120	8
Ballade for separate instruments	-	100	-	-	-	8	2
Symphonic ballade	-	100	-	-	-	80	6
Fable	100	-	-	-	-	6	2
Symphonic variations	-	100	-	-	-	100	8
Popular variations	-	100	-	-	-	8	2
Vocalise	-	100	-	-	-	6	2
Performance, finale of a popular\circus program	-	100	-	-	-	6	2
Spiritual music	-	100	-	-	-	12	4
Spiritual chants	33	67	-	-	-	18	4
Symphonic sketches	-	100	-	-	-	80	6
Spot, bumper, signature tune (fill-in music)*	-	100	-	-	-	0,5	0,5
Interlude with music	83	17	-	-	-	18	4
Cantata	20	80	-	-	-	120	8
Quartet	-	100	-	-	-	80	6
Quintet	-	100	-	-	-	80	6
Clownage	100	0	-	-	-	18	4
Literature composition	100	-	-	-	-	15	4
Literature and music composition	83	17	-	-	-	18	4
Musical composition	-	100	-	-	-	8	2

Concerto for orchestra	-	100	-	-	-	100	8
Concertino	-	100	-	-	-	80	6
Satirical songs	50	50	-	-	-	12	4
Mass	20	80	-	-	-	120	8
Miniature	83	17	-	-	-	18	4
Monologue, dialogue	100	-	-	-	-	4	2
Music, specially created for dramatic play, consisting of several acts	-	100	-	-	-	1	1
Music, specially created for dramatic play, consisting of one act	-	100	-	-	-	1	1
Music for a film	-	100	-	-	-	6	2
Music for an opera, which consists of several acts	-	100	-	-	-	1	1
Music for an operetta (musical, music comedy), which consists of several acts	-	100	-	-	-	1	1
Music for a ballet, which consists of several acts	-	100	-	-	-	1	1
Music for an animated film	-	100	-	-	-	6	2
Music for one-act opera	-	100	-	-	-	1	1
Music for a one-act operetta (musical, music comedy)	-	100	-	-	-	1	1
Music for a one-act ballet	-	100	-	-	-	1	1
Music for a radio play	-	100	-	-	-	6	2
Music for a play	-	100	-	-	-	6	2
Music for a TV-series	-	100	-	-	-	6	2
Music for a circus performance	-	100	-	-	-	6	2
Musical work for chorus	33	67	-	-	-	18	4
Musical work for choral performance (vocalise)	-	100	-	-	-	12	4
Musical and choreographic work	-	75	25	-	-	8	2
Musical and choreographic work with lyrics	43	43	14	-	-	14	4
Chants	-	100	-	-	-	6	2
Performance of popular and circus genre (original genre), entrée, clownery	100	0	-	-	-	18	4
Nonet	-	100	-	-	-	80	6
Octet	-	100	-	-	-	80	6
One-act opera (operetta, musical comedy)	20	80	-	-	-	120	8
Oratorio	20	80	-	-	-	120	8
Pantomime	-	-	-	100	-	8	2
Literature parody	100	-	-	-	-	4	2
Partita (organ variations)	-	100	-	-	-	80	6
Pastorale	-	100	-	-	-	6	2
Song	50	50	-	-	-	12	4
Medley	50	50	-	-	-	8	2
Vocal-symphonic poem	20	80	-	-	-	120	8

Literature poem	100	-	-	-	-	10	2
Musical poem	-	100	-	-	-	8	2
Symphonic poem	-	100	-	-	-	100	8
Chorus poem	20	80	-	-	-	120	8
Prelude	-	100	-	-	-	6	2
Instrumental play	-	100	-	-	-	6	2
Symphonic rhapsody	-	100	-	-	-	80	6
Popular rhapsody	-	100	-	-	-	8	2
Story, novella, tale, novel	100	-	-	-	-	10	2
Requiem	20	80	-	-	-	120	8
Commercial **	-	100	-	-	-	0,5	0,5
Remix	-	100	-	-	-	6	2
Reprise, interlude	100	-	-	-	-	6	2
Lyrical sentimental song	50	50	-	-	-	12	4
Sextet	-	100	-	-	-	80	6
Septet	-	100	-	-	-	80	6
Symphonietta	-	100	-	-	-	80	6
Symphony	-	100	-	-	-	100	8
Symphony with vocal	20	80	-	-	-	120	8
Fairytale	100	-	-	-	-	10	2
Fairytale with music	77	23	-	-	-	18	4
Sketch	100	0	-	-	-	18	4
Sonata	-	100	-	-	-	80	6
Sonatina	-	100	-	-	-	40	6
Background music for a play	-	100	-	-	-	1	1
Poem, ballade	100	-	-	-	-	6	2
Scene from a ballet	40	50	10	-	-	40	6
Scene from an operetta	33	67	-	-	-	40	6
Scene from an opera	33	67	-	-	-	40	6
Scene from a play	100	0	-	-	-	40	6
Vocal-symphonic suite	20	80	-	-	-	120	8
Vocal-choreographic suite	22	56	22	-	-	110	8
Suite for wind orchestra	-	100	-	-	-	40	6
Suite of an organ	-	100	-	-	-	80	6
Symphonic suite (including from a ballet, an opera)	-	100	-	-	-	80	6
Dance suite	-	56	44	-	-	70	6
Choir suite	30	70	-	-	-	90	8
Popular suite	-	100	-	-	-	8	2
Staged popular new-year performance	75	25	0	-	-	1	1
Toccata	-	100	-	-	-	8	2
Toccatina	-	100	-	-	-	6	2
Instrumental trio	-	100	-	-	-	80	6
Overture for wind orchestra	-	100	-	-	-	40	6
Symphonic overture (including for a ballet, opera, operetta)	-	100	-	-	-	80	6
Symphonic fantasy	-	100	-	-	-	80	6

Popular fantasy	-	100	-	-	-	8	2
Satirics	100	-	-	-	-	10	2
Fugue	-	100	-	-	-	8	2
Choreography for musical-choreographic work	-	-	100	-	-	6	2
Costume designer	-	-	-	-	100	6	2
Circus program	-	-	-	-	-	1	1
Circus attraction	-	-	-	-	-	1	1
Chaconne, passacaglia	-	100	-	-	-	8	2
Couplets	50	50	-	-	-	12	4
Jokes, epigrams, humoresque	100	-	-	-	-	4	2
Etude	-	100	-	-	-	6	2

(*) Spot, bumper and signature tune genre also includes Captions, Spiegel, Promo
(**) Commercial also includes announcements and promotional videos

ANNEX #1
to the Regulations on Procedures for
Royalties Distribution and Payment

LIST OF GENRES,
assigned to AVWs at registration in RAO Registry
for further distribution of royalties

AVW Genre	Coefficient
Full-length film (feature, television, animated) of total duration over 50 min.	1
Multi-episode feature film (up to 20 episodes)	1
Short-length film (feature, television, animated) of total duration from 10 to 50 min.	1
Documentary film	1
Multi-episode documentary film	
Picture play	1
Reality show	0,5
Documentary loop	0,5
Musical film (feature, TV, animated)	1
Serial film (feature, feature-television, television, animated)	0,5
Mini-serial film (television, animated)	0,5
Animated series	0,5
News-reels	1
Film (documentary, animated) of less than 10 minutes duration	1
Advertising/Commercial	1