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Introduction

The purpose of this Distribution Regulation is to establish rules for the distribution of musical works and sound recording rights, related to the payment of the public performance of musical works and sound recordings, following criteria internationally used and by Brazilian Federal Constitution prerogatives guaranteed in Art. 5, item XXVIII, b, observing the regulation of Brazilian Federal Law 9.610/98 and updates by Brazilian Federal Law 12.853/13 and Decree 9.574/18.

The criteria established in the Distribution Regulation are settled in *Ecad's* General Meeting by the Music Associations that are part of the Brazilian collective management, under *Ecad's* Statute, correlated with the Collection Regulation and have as main objectives the protection of effectively identified music performances and the distribution of credits to the rights holders through their respective Music Associations, whenever there is technical viability and economic reasonability.

Chapter I

Preliminary Provisions

Art. 1 The distribution of musical works and sound recording rights collected by *Ecad*, will be done according to the criteria established in this Regulation.

Paragraph 1 For the purposes of this regulation, ‘internal procedure’ means the documents that specify the practice and compliance with the distribution criteria, such as processes, manuals, and normative instructions.

Paragraph 2 The distribution of collected amounts will be done whenever technically and economically possible, deducting *Ecad* and Music Associations’ administrative percentages, based on the effectively identified protected music performances, complying with the registration specifications and each type of distribution.

Chapter II

Definitions

Art. 2 For the purposes of this Regulation, it is considered:

I. Rights Holders

a) Right Holder: natural person or legal entity that participates in the creation/administration of a musical work and/or sound recording.

b) Associated Right Holder: natural person or legal entity affiliated to one of the Music Associations that are part of *Ecad* or its represented.

c) Associated Right Holder without representation: natural person or legal entity affiliated to one of the extinct or inactive Music Association or without representation.

d) Musical Work Right Holder (author’s right): natural person, holder of moral and/or patrimonial rights of the musical work, and legal entity, holder of patrimonial rights. Musical Work Right Holders are organized into categories:

- d.1) Author/Composer;
- d.2) Publisher.

e) Sound Recording Right Holder (neighboring/related right): natural person holding the moral and/or patrimonial rights of the sound recording and legal person holding patrimonial rights. Sound recording rights holders are organized into categories:

- e.1)** Performer;
- e.2)** Record Producer;
- e.3)** Performing musicians.

f) Right Holder pending of identification: natural person or legal entity that participates in the creation/administration of a musical work and/or sound recording, not affiliated in any of the collective management Music Associations or whose affiliation was not identified in the act of registration.

II. Object of Protection

a) Musical work: the result of a creation that has as its final product lyrics and music or simply music. The rules for composition of the registration of the musical work are described in Art. 6 of this regulation.

b) Version: derivative musical work from an original musical work. The rules for version composition registration are described in Art. 7 of this regulation.

c) *Pot-pourri*: interpretation of several songs in sequence creating a single musical performance. The rules for *pot-pourri* composition registration are described in Art. 8 of this regulation.

d) Sound Recording: fixation of the sound of music performance. The rules for sound recording composition registration are described in Art. 9 of this Regulation.

e) Audiovisual Works: Image and sound fixation with the purpose of creating, through reproduction, the impression of movements. The musical soundtrack listed in cue-sheets of audiovisual works will be used to enable the distribution of musical works and sound recordings rights to the respective rights holders. The rules for audiovisual work composition registration are described in Art. 10 of this regulation.

III. Documentation

a) CAE (Compositeur, Auteur and Editeur) – Standard international code to identify musical work rights holders.

b) Cue-sheet: Document used to register technical information of the audiovisual work and their respective musical soundtrack.

c) GRA: Recording document, before the creation of ISRC, used to identify the rights holders of a sound recording.

d) IPI (Interested Parties Information) – International standard code to identify musical works rights holders.

e) ISRC (International Standard Recording Code): International Standard Recording Code, used as the basic identifier for each sound recording. This encoding is alphanumeric consisting in 12 characters, divided into four elements that represent the country, owner of the sound recording, year of recording and a sequential number.

f) ISWC (International Standard Work Code): International Standard Code to musical works that comply with the rules established by Cisac – International Confederation of Authors' and Composers' Societies.

IV. Registrations

a) Sound Recording registration pending of validation: registration made by the Music Association of the right holder that participates in the sound recording, whose category is performer or performing musician and who is not the representative of the record producer, responsible for the registration data.

b) Sound Recording registration by simultaneous publication: sound recording published for the first time in a country that is not a signatory to the Rome Convention and that, within thirty days following publication, has also been published in a signatory country.

c) Musical Work Registration pending of validation: registration of derivative musical work made by Music Association that does not represent all rights holder's participant in the original work.

d) Conflicting or blocked registration: right holder, musical work, version, *pot-pourri*, sound recording, and audiovisual work registrations that have duplicate information and/or divergences. These registrations will remain blocked until the conflict is resolved and/or cleared up.

e) Registration released: right holder, musical work, version, *pot-pourri*, sound recording, and audiovisual work registration that respectively fill the mandatory requirements described in Articles 5 to 10 of this regulation, whose registration status is 'released' in the Information System.

f) Registration with pending documentation: registration of sound recording by label and simultaneous publication with pending documentation to enable the validation and consequently change of the registration status in the Information System to 'released'.

g) Registration with pending of identification: provisional registration of right holder, musical work, version, sound recording and audiovisual work, which will remain with the Status 'pending of identification' in the Information System until the registration is made by the Music Associations.

h) Registration by label/booklet: partial registration of a sound recording made by material, graphic or digital support, whose information is used to identify and direct credits to the rights holder of the 'Performer' category. Registration by label will be with Status of 'pending documentation' until the information gets validated, which will be used for distribution.

i) Musical work link: codification that informs the existence of a relationship between the rights holders of the musical work.

V. Captures / Sampling / Distribution

a) Statistical Sample: It is considered as a several musical performances that is representative of all performances of musical works/sound recordings performed and sufficient to establish the proportional division of indirect distribution.

b) Statistical Sampling: is the process used to obtain samples.

c) General Meeting: The *Ecad's* General Meeting is the highest institution and is responsible for direction and supervision rules and will be composed of the Music Associations that are part of it. (Art. 21 of the *Ecad's* Statute).

d) Retained Credit: amounts preserved in *Ecad* for a period up to 05 years, referring to performances that takes part of lists whose musical work, sound recording, or rights holders are 'pending of identification' or in conflict.

e) General Rights: Segment characterized by the transfer of musical works amounts collected from the background music of establishments such as hotel/motel, social club, gym, bingo, hospitals, commercial banks, offices/clinics, markets, condominiums, commercial stores, among other commercial establishments that are classified by the Commercial Team as 'General Users' and are not included in distribution with a specific rubric.

f) Public Performance of Music: The use of musical works, through the participation of artists, paid or not, or the use of sound recordings and audiovisual works, in public places, by any process, including broadcasting or transmission by any type, and movie theater exhibition (Art. 68 paragraph 2 of Brazilian Federal Law 9.610/98).

g) Programming Spreadsheets: standardized spreadsheet through which users send the complete list of audiovisual work, musical work, and sound recordings used in their programming.

h) List of retained credits: list of rights holders, musical works, and sound recordings that have participated in the distribution, but whose credits were retained due to pending of identification or registration conflict.

i) List of music performances: list of performed musical works and sound recordings that have been captured and identified to set the distribution according to the criteria of each rubric.

j) List of audiovisual works: list of audiovisual works exhibited that have been captured and identified to set the distribution according to the criteria of each rubric.

k) Set List: the document that lists all the musical works performed in a musical concert, circus shows, events of different nature (theatre, ballet, varieties, and similar), carnival shows, and regional festivities.

l) Audiovisual TV: name to the programming of soap operas, miniseries, series, cartoons, movies, and another programming that are documented by technical file and whenever the list is based on the identification of the audiovisual work.

m) TV Spreadsheet: name to programs whose list is based on the identification of the musical work/sound recording, except for those identified in paragraph l.

Chapter III

Registration and its organization

Art. 3 *Ecad* will keep rights holders, musical works, versions, *pot-pourri*, sound recordings and audiovisual works registrations protected under the law, to enable the identification and corresponding distribution of collected rights.

Paragraph 1 *Ecad* will maintain an Information System through which the Music Associations will make all the online registrations, or by electronic data import, with an internal code being assigned to each registration made.

Paragraph 2 The filling of rights holders, musical works, versions, sound recordings, foreign audiovisual works, and all national movies/cartoons registrations will be made exclusively by *Ecad's* member Music Associations in a standardized way by its General Meeting.

Paragraph 3 In case of the absence of the above-mentioned registrations, *Ecad* can make them provisionally when there is capture of public performance. The provisional registration will be pending of identification until it is made by the Music Associations.

Art. 4 *Ecad* registration will consist of a list of information collected and organized in the following patterns:

- I.** Right holder registration
- II.** Musical work registration
- III.** Version registration
- IV.** *Pot-pourri* registration
- V.** Sound recording registration
- VI.** Audiovisual work registration

Paragraph 1 Whenever requested, the Music Associations must send to *Ecad* copies of the documents according to the registrations mentioned in items I to VI of this Article.

Paragraph 2 To enable the protection of the rights of holders affiliated to foreign Associations, the representative national Music Association will be identified through the representation agreement signed with the original Association of the respective rights holders, a copy of which will be filed in *Ecad*.

Right holder Registration

Art. 5 The rights holder’s registration will be done as follows:

I. Mandatory Data:

Right Holder	Natural Person	Legal Entity
National	Name, <i>CPF</i> , birth date, affiliate categories, city, and <i>UF</i> (Federation Unit) of the residential address.	Corporate/Legal Name, <i>CNPJ</i> , affiliate categories, city, <i>UF</i> (Federation Unit) of the commercial address.
International (musical work)	Name, CAE/IPI code, birth date and affiliate categories	Corporate/Legal Name, CAE/IPI code and affiliate categories
International (sound recording)	Name, birth date, nationality, and affiliate categories	Corporate/Legal Name, nationality, and affiliate categories

II. Changes and Searches

- a)** Each Music Association may only change, in the Information System, the registration data relating to its affiliate rights holders.

b) Music Associations can search the registration data of any right holder, except for personal data, which can only be viewed and updated by the Music Association to which the right holder is affiliated.

c) Music Association will be able to access all payment reports of its rights holders available in *Ecad's* Information System, including the periods in which they were affiliated with other Music Associations.

d) The rights holder's current Association must, in case of death, update the registration in *Ecad's* Information System, filling the date of death.

III. Right holder Transfer

a) In case of a request for a right holder transfer, the Music Association to which the right holder intends to transfer must formally notify the current Music Association, sending a copy of the termination letter. *Ecad* will answer the request in accordance with the criteria established in the internal procedure.

b) The transfer of deceased rights holders will be done upon presentation of recent documentation proving the inventory. *Ecad* will attend to the request according to criteria established in the internal procedure. In case of disagreement, while there is no consensus, the credits will be blocked.

Musical Work Registration

Art. 6 The right holder ownership registration of musical work will be done as follows:

I. Mandatory Data

a) Musical work title;

b) Musical work subtitle, if any;

c) Name of the rights holders, indicating their respective categories and subcategories;

d) Percentage of participation of each right holder, totaling 100%;

e) If there is a publisher or sub-publisher, the registration must include: the date and term of the publishing, sub-publishing, representation or assignment of rights agreements and the relationship links between the rights holders, if any;

f) Performances references, if any.

II. Registration and Changes

- a)** The *Ecad's* Information System will reject the registration whose total participation of the rights holders is not equal to 100% (one hundred percent).
- b)** The Music Association may register a musical work if it has at least one affiliated right holder, except in cases of public domain.
- c)** The *Ecad's* Information System will attribute to the Music Association that made the registration of the musical work the status of 'Responsible for the information'.
- d)** The Music Association responsible for the information of the musical work may change the registration if it has at least one affiliated right holder.
- e)** *Ecad* will do the registration change upon request of a Music Association and with the agreement of the other Music Associations involved, in the following cases:
 - e.1)** When the responsible Music Association does not fulfill the requirement described in item 'd' of this item;
 - e.2)** When the Music Association is not 'Responsible for the information'
- f)** When registering musical works with a publisher and/or sub-publisher, the Music Associations must use the 'works link', if they have one, to cluster the common rights holders in the same group, to enable the recognition of the respective publisher and/or sub-publisher of each right holder.
- g)** After periodic updates in the Information System, the status 'duplicated' will be assigned to registered musical works in which there is a coincidence of title or subtitles classified as 'alternative' and that have at least one author in common in the registrations.

Version Registration

Art. 7 The version registration of musical work will be done as follows:

I. Mandatory Data

- a)** Version title;

- b) Related original musical work title;
- c)) Rights holders name of the original musical work (author and publisher/sub-publisher, if any);
- d) Versionist and/or adapter name.

II. Registration

- a) The version must be identified as a derivative musical work;
- b) The version must be related to an original musical work that is not pending of identification;
- c) The registered version will be pending of validation if there are right holders of the original musical work who do not belong to the Music Association responsible for the registration, except in cases of registration of a foreign version of a musical work also foreign, whose registration will automatically have the status 'released'.
- d) The version can be registered even if the original musical work is 'in conflict', but it will be automatically blocked until the conflict of the original musical work is resolved.
- e) The rights holders of the version will be the same as the original musical work and may only include versionists and, in exceptional cases, the sub-publisher.

Pot-pourri Registration

Art. 8 The *pot-pourri* registration will be done as follows:

I. Mandatory data

- a) *Pot-pourri* title;
- b) Musical works that are part of it;
- c) Performances references, if any.

II. The *pot-pourri* registration is independent of the registration status of the musical works that are part of it.

Sound Recording registration

Art. 9 The sound recording registration will be done as follows:

I. Mandatory data

- a)** Musical work or pot-pourri reference;
- b)** ISRC and/or GRA;
- c)** Country of origin;
- d)** Publication country;
- e)** Recording and issue date;
- f)** Publication date launch;
- g)** Proof of simultaneity (sound recording by simultaneous publication);
- h)** Sound recording classification;
- i)** Name of the group or band (collective), if any;
- j)** Performer name and/or pseudonym;
- k)** Name and/or pseudonym of the musical arrangers, choristers, conductors, and performing musicians and respective instruments, if any;
- l)** Record producer;
- m)** Licensed record producer, if any;
- n)** Licensor record producer, if any.

II. Registration

- a)** The sound recording registration must contain at least one original record producer, and there may be a licensed or licensor producer, affiliated to a Music Association.
- b)** The sound recording will be classified as national or foreign;
- c)** The foreign sound recording can be subdivided into two groups:
 - c.1)** Originally produced in a signatory country of the Rome Convention;
 - c.2)** Originally produced in a non-signatory country of the Rome Convention;
- d)** If the original foreign record producer does not issue the ISRC, and grants such issue to the licensed record producer, it will be possible to use Brazilian's ISRC.
- e)** The record producer will be responsible for the veracity of the data contained in the sound recording registration.
- f)** In cases of online registration or through electronic data exchange, made by a Music Association whose record producer is not its affiliate, the registered sound recording will be assigned the status 'pending of validation', until it is validated by the record producer's Music Association.
- g)** The sound recording before the creation of the GRA or that contain this encoding must be registered by the Music Associations and validated by *Ecad*

by sending a copy of the label, or any other graphic or digital material that accompanies the recording support.

- h)** In the case of an extinct or unknown record producer and when there is no ISRC or GRA issued, the registration of the sound recording will be done by the Music Association in favor of those performers whose participation is proven through a copy of the label, or any other material, graphic or digital support. In addition to the mentioned documents, the Music Association may send to *Ecad* a Performer Declaration for Validation of the Sound Recording by label, which must be signed by all performers of the sound recording. If there is an impediment or impossibility to obtain the signature of one or more performers, the declaration will be accepted with the signature of at least one of the rights holders of that category.
- i)** ISRC or GRA information in the sound recording registrations by label will not be mandatory, but the registration validation and the distribution of credits must be based on the following definitions:
 - i.1)** Registration by label will only take place after sending the supporting documentation to *Ecad*;
 - i.2)** The information in the registration by label will be used for distribution;
 - i.3)** The distribution of credits related to the registration by label will include the performers of the sound recording who have been identified by their Music Association;
 - i.4)** The rights of the record producer will be provisioned until the registration by label is complemented or associated with the registration of the corresponding sound recording;
 - i.5)** The provision of rights for performing musicians will be conditioned to the mention of this category in the registration by label.
 - i.6)** The registration of the national sound recording will be done necessarily considering the category of performing musician.
- j)** After the periodic routine processing in the Information System, the status 'In duplicate' will be assigned to registered sound recording that has: same title, same performer and same recording date; at least one identical record producer; ISRC or GRA code filled in only one of the registration, or the two registrations without the respective codes.
- k)** If there is a registration in which the name of the collective (group, band, duo, trio, etc.) appears as a performer, the responsible Music Association must change it, listing individually the data of all participants in the performance of the national sound recording.
- l)** The Music Association of the record producer when registering, validating, or changing a sound recording in the Information System will receive the status 'Responsible for registration'.

III. Registration participation

- a) The rights holders of sound recording rights will have the following participation in the registration of sound recording:
- a.1) 41,70% for Performer category;
 - a.2) 41,70% for Record Producer category;
 - a.3) 16,60% for Performing Musician category;
- b) The Information System will do the share of the percentages automatically, as described in sub-item 'a' of this item, except in cases where the Music Association assigns the participation percentages to the categories of Performer and Record Producer, manually.
- c) When the members of a collective nominate a representative, only this one will receive the income from the sound recording.
- d) When there are no arrangers, conductors, choralists, and performing musicians, the following percentages will be assigned in the sound recording registration:
- d.1) 50% participation for Performer category;
 - d.2) 50% participation for Record Producer category;
- e) If there is more than one orchestrator or arranger, as well as a conductor in the sound recording registration, only one participation shall be considered, divided among the rights holders of those categories.
- f)) Single participation will be attributed to the performing musician who performs several percussion instruments in a sound recording. The same will happen with the right holder who plays the sound of several instruments using a keyboard or computer program.

Audiovisual Registration

Art. 10 The registration of audiovisual works will be done by *Ecad* and Music Associations as follows:

I. Mandatory data

- a) Audiovisual work original title;
- b) Local title for foreign audiovisual works, if any;
- c) Director, producer, distributor, category, mean for which it was originally produced;
- d) Year of production, country of origin and duration of the audiovisual work;

- e) List of performed sound recording containing: title, classification by type of use and duration of each performance;
- f) Total musical duration of the audiovisual work;
- g) Main performers of the audiovisual work (actors), if any;
- h) Chapter number (soap operas);
- i) Number and/or title of the original episode translated (series, miniseries, and cartoons).

II. Registration

- a) *Ecad* will register the national soap operas, series and miniseries exhibited on Band, Globo, Record, and SBT Broadcasters, based on the programming spreadsheets sent and by listening to the recordings made by *Ecad*, as internal procedure.
- b) *Ecad* may register a broadcaster's variety programming based on the programming spreadsheets and by listening to recordings made by *Ecad* according to the internal procedure, except for Journalism/Sport programming.
- c) The registrations listed in item 'a' of this item may be done by the Music Associations in cases of co-production or independent audiovisual production and in cases where the audiovisual work has its original exhibition on a streaming platform, observing internal procedures.
- d) The Music Associations will register national audiovisual works, observing items 'a' and 'b' of this item, and foreign-based on:
 - c.1) in the original cue-sheet sent by foreign Music Associations, authors, or publishers;
 - c.2) in the original cue-sheet of the audiovisual producer, signed by the responsible person;
 - c.3) in the standard cue-sheet model completed and signed by the author or publisher of the soundtrack, who must inform all the songs in the audiovisual work, being responsible for such information;
 - c.4) The standard cue-sheet model described in item 'c.3' of this item may inform the sound recordings rights (ISRC's) and, preferably, be accompanied by a letter and/or agreement signed between the film producer and the right holder responsible, ratifying the information provided.
- e) When making a new registration, Music Association responsible must send immediately the document on which the registration was made to the other Music Associations.

III. Changes

- a) For requests to registration changings of an audiovisual work, the Music Association must present the cue-sheet for all the Music Associations involved in the change, observing the requirements set out in sub-item 'c' of item II of this Article.
- b) In cases of sound recordings pending of identification, sound recordings omitted from the registration of the audiovisual work or substitution of sound recordings, the record producer or performer must present a standard letter of request, being responsible for the information and receipt of sound recordings rights of public performance, preferably accompanied by a letter from the producer of the film, confirming the information provided.
- c) The registration change of the audiovisual work will only be done after the agreement of all the Music Associations involved, according to deadlines and criteria established in the internal procedure. Once the deadlines are fixed, if there is no consensus, the audiovisual work will remain blocked until the conflict is resolved.

Chapter IV

Common Provisions for Registration

Art. 11 If there is any doubt in the registered information content, *Ecad* will block the registration and payment of musical works and/or sound recordings rights and it will ask the Music Associations to present supporting documents.

Art. 12 If there is any doubt about the content of the information sent by music users, *Ecad* will suspend the registration of national audiovisuals listed in item 'a' of Art. 10, item II of this regulation and will request correction or proof of the information.

Art. 13 Any information that changes one or more registration data may be object of a new data supply by the interested Music Association.

Art. 14 Requests for data not available in the Information System, in the form of reports or online requests, may be provided by *Ecad* only if the requesting Music Association has at least one right holder with participation in the required information and with the agreement of all the Music Associations involved.

Art. 15 The conflict information will occur in cases of specific registration differences in the registrations of rights holders, musical works, versions, sound recordings, *pot-pourri* and audiovisual works. The rules that define and resolve such conflicts are described in internal procedures.

Art. 16 The electronic transfer of the catalog of musical works and sound recordings will be done by *Ecad*, according to the internal procedure.

Art. 17 Registrations that comply with the requirements of Articles 5 to 10 of this regulation will appear in the Information System as ‘released’ for income distribution, provided they are not ‘doubled’, ‘blocked’, or ‘pending of validation’.

Art. 18 For database updating, *Ecad* may periodically request the Music Associations to update the registration of musical works and sound recordings that are now in the public domain, considering the current legislation.

Chapter V

Musical Works and Sound Recordings Rights Distribution

Art. 19 The distribution of musical works and sound recording rights, collected by *Ecad*, will be made directly or indirectly, following the proportion of 66.67% for the musical work (author's rights) and 33.33% for the sound recordings (neighboring/related rights);

Paragraph 1 According to the collection and music performance segments, specific rubric for the distribution of amounts will be created to include the musical works and sound recordings performed.

Paragraph 2 The amounts received from General Users who use radio, TV, or any other type of background music performing in their commercial establishments, when not distributed under a specific rubric, will be directed to the AM/FM radio and Broadcast TV rubrics, in the following proportions:

- I. 95% of the amount from each region of Brazil will be added to the respective amount from the regionalized radios.
- II. 5% of the amount will be share and added proportionally to the amount to be distributed by each TV broadcaster concerning the total collected from the segment.

Paragraph 3 *Ecad* will transfer the amounts calculated in its distribution procedure to the Music Associations that are part of the collective management, who will make the payment to their respective associate right holder.

Paragraph 4 The transfer of the amounts distributed to the Music Associations will only occur if the registration status of the musical works, versions, *pot-pourri*, sound recordings, audiovisual works, and eligible rights holders is ‘released.’ Otherwise, the credits will be retained as described in Art. 58 of this regulation.

Paragraph 5 All national and foreign sound recordings performed in the musical programming of the rubrics that include this type of right shall be distributed to sound recordings rights, following the rules for each rubric distribution.

Paragraph 6 The distribution of amounts from the use of music as ‘live’ will include only the musical works rights (author’s right), without the proportional division described in the *caput* of this Article.

Chapter VI

Direct Distribution

Art. 20 Direct distribution consists of dividing the net amount collected by the music performed, according to the frequency and/or duration of the music performance.

Paragraph 1 The direct distribution will be done to include all music performances informed and/or identified by *Ecad*, according to each rubric distributed in this format.

Paragraph 2 The direct distribution will consider the following periodicities and rubrics:

- I. Monthly: Concerts and Digital Services (Internet Concerts) rubrics;
- II. Quarterly: TV broadcast, Movie Theater and Digital Services (Streaming) rubrics;

Direct Monthly Distribution

Concerts

Art. 21 The distribution of Concerts rubric will include musical works rights holders and it will be done individually, based on the net amount collected from each event, share by the performances of musical works in:

- I. Musical Events
- II. Circus Events
- III. Other nature events (theatre, ballet, varieties and similar);
- IV. Carnival Events
- V. Regional Festivals

Paragraph 1 Considering the items I, IV, and V of the *caput* of this Article, a concert is understood as a musical presentation whose main source of attraction for the public is the performing artist.

Paragraph 2 The portion of sound recordings rights, referring to concerts with a performance of playback music, will be added monthly to the budget of regionalized radio and broadcast television rubrics, in the proportion of 95% and 5%, respectively, and will be part of the quarterly distribution of these rubrics.

Paragraph 3 In the charges of concerts with live DJs, the portion of sound recording rights will be incorporated into the budget under the rubric Nightclubs.

Paragraph 4 The rules established in Paragraphs 2 and 3 are justified by the lack of information, by the user, regarding the sound recordings performed, without which their identification is impossible.

Paragraph 5 In single events or held on several stages, the amount to be distributed will be share by the number of music performances, regardless of their duration, and will consider the importance level (percentages), according to the table above. Exceptions will be analyzed and defined by *Ecad's* General Meeting.

Type of Concert	Only stage	Several Stages		
		one Main Stage	Secondary Stage	Other Stages
Single Concert	100%	80%	15%	5%
Opening and/or Closing Concert	20%	10%	10%	10%
Main Concert	80%	90%	90%	90%

Paragraph 6 In events with several performing artists and there is no difference between the attractions, the amount to be distributed will be shared in equal parts according to the number of performers.

Paragraph 7 After the first calculation as established in the previous paragraph, a new share will be done with the calculated value corresponding to each performer and will be shared by their music performances.

Paragraph 8 To enable direct distribution, the registration of music performances must be included in a proper musical script and/or recording.

Paragraph 9 *Ecad's* Commercial Team will send the musical script and/or recording to the Distribution Team that will be responsible for identifying the performed repertoire.

Paragraph 10 The recording of a concert will be exceptionally done by *Ecad* when it is economically viable and there is technical availability. This recording may replace the musical script.

Paragraph 11 In the absence of the musical script and/or recording, a list of another concert by the same artist may be used, according to the rules described in the internal procedure. *Ecad* will also be able to ask the artists' offices for the list of songs to enable distribution. After exhausting all possibilities of obtaining the musical script within 60 days, the Music Associations will be able to send the repertoire obtained from the rights holders. When the musical script is obtained through a Music Association, it will be submitted for validation by the others and, after the distribution of the concert, it will not be possible to request a credit adjustment.

Paragraph 12 For the composition of the list of each event, the executions/performances informed and/or identified by *Ecad* will be considered, observing the criteria set out in Art. 46 of this regulation.

Paragraph 13 The deadline for the inclusion of performances in musical scripts and/or recordings will be sixty days, counted from the date of receipt of the complete documentation sent by the Commercial Team.

Paragraph 14 When there is no technical/operational availability to attend all demands for concerts released for distribution, the period described in the previous paragraph may be postponed for another sixty days.

Quarterly Direct Distribution

Movie Theater

Art. 22 The distribution of Movie Theater rubric will include the rights holders of musical works and sound recordings rights of the music performances participating in the musical soundtrack of each cinematographic exhibition informed by the users through an electronic file.

Paragraph 1 The amount to be distributed will consist of the amount collected from each user and shared by the audiovisual exhibitions related to the settled month, as shown in the table below:

Released period	Distribution
January, February, and March	September
April, May, and June	December
July, August, and September	March of the following year
October, November, and December	June of the following year

Paragraph 2 The identification of cinematographic exhibitions will be done through an automatic identification process.

Paragraph 3 The amount calculated for each audiovisual work will be divided by the total duration of the musical soundtrack, considering the importance of the classification by type of use of each music described in Art. 50 of this regulation.

Chapter VII

Indirect Distribution

Art. 23 The indirect distribution consists of dividing the net amount collected for national and foreign protected musical works and sound recordings captured by the statistical sampling.

Paragraph 1 *Ecad* will apply statistical sampling criteria aiming the closest use of musical works and sound recordings through the national territory.

Paragraph 2 The use of the sampling criterion provided in this regulation is justified by the size of the country, a large number of users, the missing, insufficient, or incorrect information provided, which makes it impossible and impracticable to accurately calculate the totality of songs performed to do a direct distribution.

Art. 24 The indirect distribution will consider the following periodicities and rubrics:

- I. Quarterly:** Radio + General Rights; Live music; Nightclubs, Background Music, Digital Services (Internet Simulcasting) and Pay TV;
- II. Semester:** Digital Services (Other Internet);
- III. Annual:** Carnival and New Year's Eve Parties; *Festa Junina*; *MTG (Movimento Tradicionalista Gaúcho)*, Extra Radio AM/FM, Anticipation of Prescribed, Extra Concert and Extra Movie Theater.

Paragraph 1 To enable the composition of the sampling and the distribution of Live Music, Nightclubs, Background Music, *MTG*, *Festa Junina*, and Carnival and New Year's Parties rubrics, *Ecad*, through its technicians, will record music performances at public performance venues.

Paragraph 2 Due to the provisions of the previous paragraph, the recording of music performances will be done based on a scale composed by the users of each mentioned segment, who will be selected by an automatic randomization system.

Quarterly Indirect Distribution

Art. 25 The quarterly indirect distribution of Radio + General Rights, Live Music, Nightclubs, Background Music, and Internet Simulcasting rubrics will obey the following frequency:

Music Performance Quarter	Distribution
January, February, and March	July
April, May, and June	October
July, August, and September	January of the following year
October, November, and December	April of the following year

Paragraph 1 The amounts corresponding to each quarter will be transferred to the Music Associations, without fail, up to one hundred and twenty calendar days after its closing, with the additions resulting from the financial investments.

Paragraph 2 In the months in which there is no quarterly distribution of the rubrics provided in this Article, *Ecad* will transfer to the Music Associations advances referring to these distributions. The amounts of advance will be calculated based on 1/3 of the total

amounts transferred in the distribution of the immediately previous quarter and will be discounted in the transfer of the subsequent quarterly distribution.

Paragraph 3 TV broadcasters that do not fill the requirements for direct distribution will be distributed by sampling, as described in Art. 38 paragraph 15, items I and II of this Regulation.

Radio + General Rights

Art. 26 The distribution of Radio + General Rights rubrics will be done by geographic region (Midwest, Northeast, North, Southeast, and South) and will remunerate the rights holders of musical works and sound recording rights of music performances automatically identified and comes exclusively from the programming spreadsheets provided by broadcasters or simultaneous recording, done by *Ecad*, of radio broadcasters that broadcast their programming via internet, as Simulcast.

Paragraph 1 For this Article, the term ‘General Rights’ refers to amounts collected from General Users whose classification have not been distributed under any specific rubric, as described in Art. 19 paragraph 2 item I of this regulation.

Paragraph 2 The amount to be distributed to Radios + General Rights rubrics will be composed of the amount collected from the radio broadcasters in each geographic region of the country, plus 95% of the amounts collected from General Users of the respective regions, described in paragraph 1 of this Art. and 95% from sound recordings rights from concerts, as paragraph 2 of Art. 21.

Paragraph 3 Only compliant radio broadcasters will be part of the sampling for distribution, which will be selected by an automatic system of randomization of broadcasters and dates. The composition of the sampling will comply with the following criteria:

- I.** For automatic identification by the recording process, only music performances with a duration equal to or greater than 30 seconds will be considered;
- II.** The executions of radio broadcasters covered by the recording process will be identified through an automatic identification system;
- III.** The identification of music performances from broadcasters not covered by the recording process will take into account the information detailed in the programming sheets sent to *Ecad*;
- IV.** The shifts for the recording of broadcasters and the use of programming spreadsheets for unrecorded radio broadcasters will be prepared monthly, considering the payment of the month before the base month of its preparation;
- V.** To establish the number of music performances per region to be included in the sample, the proportional collection of each UF (Federation Unit) in the corresponding quarter will be considered;
- VI.** It will be considered for the sample of the music performances identified by the radio broadcasters within a 24-hour period for each selected date.

Paragraph 4 The programming spreadsheets of broadcasters that are not in the standard format or have distortions will not be considered for sampling, in accordance with the internal procedure.

Paragraph 5 The music performances mentioned in item II, paragraph 3 of this Article, automatically identified after the processing term, will be considered for future distributions done as a retroactive list, according to the internal procedure.

Live Music

Art. 27 The distribution of Live Music rubric will be based on the amount collected monthly from establishments such as bars, restaurants, clubs, which use live music, with or without dance, and will only include musical works rights holders.

Nightclubs

Art. 28 The distribution of Nightclubs rubric will be based on the amount collected monthly from establishments that hold commemorative parties, which use live and playback music with a dancing function, plus the sound recordings amounts from concerts performed by DJ described in paragraph 3 of Art. 21 of this regulation and shall include musical works and sound recordings rights holders.

Background Music

Art. 29 The distribution of the Background Music rubric will be done based on the amount collected monthly from shopping malls, department stores, commercial chain stores, among other users who use playback music in their spaces and will include musical works and sound recordings rights holders.

Annual Indirect Distribution

Art. 30 The following rubrics and frequency will be considered for the annual indirect distribution:

Rubrics	Music performance period	Distribution
Carnival and New Year's Eve Parties	Carnival days and pre and post carnival and New Year's events	May
<i>Festa Junina</i>	June events (between May and August)	September
MTG	July of the prior year to June of the current year	November
Extra Radio	July of the prior year to June of the current year	December
Anticipation of Prescribed	2-year retention period	December
Extra Concert	July of the prior year to June of the current year	December
Movie Theater	Performances that participated in regular movie distributions in the previous year	March

Carnival and New Year's Eve Parties

Art. 31 The distribution of Carnival and New Year's Parties rubric will be based on a sample collected from special New Year's Eve events (Christmas, New Year's Eve, celebrations/festivities, etc.), and Carnival events (*bailes*, *blocos*, street carnival events, etc.), through recording of music performances, and will include musical works and sound recordings rights holders.

Sole Paragraph The amount to be distributed for Carnival and New Year's Eve Parties rubric will be composed of the amount collected from users who realized the Carnival and special New Year's events.

Festa Junina

Art. 32 The distribution of *Festa Junina* rubric will be based on a sample collected from June events (parties, *quermesses*, etc.), through recording of music performances, and will include musical works and sound recordings rights holders.

Sole Paragraph The amount to be distributed for *Festa Junina* rubric will be composed of the amount collected from users who realized this type of event.

MTG (Movimento tradicionalista gaúcho)

Art. 33 The distribution of *MTG (Movimento Tradicionalista Gaúcho)* rubric will be based on a sample collected at the *CTGs (Centro Tradicionalista Gaúcho)* through recording of music performances and will include musical works rights holders.

Sole Paragraph The amount to be distributed to the *MTG* rubric will be composed of the amount collected from the *CTGs* in the period.

Extra Radio

Art. 34 The distribution of Extra Radio rubric will be based on amounts received from agreements with radio broadcasters, in the period between November of the previous year and October of the current year and it will include musical works and sound recordings rights holders.

Sole Paragraph The list will consist of the lists of the four regionalized rubrics distributions of Radios + General Rights in the corresponding year, considering only the music performances of musical works and sound recordings with the registration status 'released' at the time of processing. There will be the provisioning of amounts for rights holders who have registration pending or blocking.

Anticipation of Prescribed

Art. 35 The extraordinary distribution of Anticipation of Prescribed amounts will be done in December, based on the amounts retained that will prescribe of the rubrics

Radios + General Rights, Broadcast TV's + General Rights, Pay TV, Concerts, Carnival, *Festa Junina*, Live Music, Nightclubs, Background Music and Movie Theater and will include musical works and sound recordings rights holders.

Paragraph 1 Anticipation of Prescribed amounts will be distributed two years after retaining the amounts, based on the performances of musical works and sound recordings of the respective lists of the original rubrics.

Paragraph 2 The amount to be distributed will be calculated based on a trend curve for the prescribed amounts retained in the original rubrics, calculated according to the internal procedure.

Paragraph 3 A specific technical saving will be created per year, for each Anticipation of Prescribed amount rubric, with an intent to compensate the releases of retained credits and the complementary payment of credits that will be released after the Anticipation of Prescribed amounts is distributed.

- I. If the balance of the specific technical saving during the prescribed period is negative, it will be compensated with the value of the next amount calculated for the corresponding Anticipation of Prescribed amounts rubric.

Paragraph 4 The Anticipation of Prescribed amounts distribution of each rubric will be done whenever it is technically and economically feasible, considering the amount calculated and the number of performances of musical works and sound recordings of the respective lists of the original rubrics.

Paragraph 5 Only performances of musical works and sound recordings with registration status 'released' at the time of processing will be considered. There will be a provisioning of amounts for rights holders who have registration pending or blocked.

Paragraph 6 Retroactive lists will not be considered if the date of registration of the list is not in the period from January to December of the year of the Anticipation of Prescribed amounts.

Extra Concert

Art. 36 The distribution of the Extra Concerts rubric will be done in December based on amounts from concerts with values collected up to BRL 500.00, in the period between July of the previous year and June of the current year and will include musical works rights holders.

Paragraph 1 The list will be composed of the lists of Concerts rubrics distributed between July of the previous year and June of the current year, considering only the performances of musical works with registration status 'released' at the time of processing.

Paragraph 2 There will be amounts provisioning for rights holders who have registration pending or blocking

Paragraph 3 The amounts collected from concerts whose musical scripts have been sent in the standard form by the event producers/promoters, through *Ecad's* website, will be excluded from the budget under this rubric for direct distribution.

Extra Movie Theater

Art. 37 The distribution of the Extra Movie Theater rubric will be done in March based on amounts received from agreements and monthly fees without information from the *borderôs*.

Paragraph 1 The list will be composed of all audiovisual participants of the regular distributions of the Movie Theater rubric that occurred in the previous year.

Paragraph 2 The proposals for the distribution of special agreements will be submitted for *Ecad's* General Meeting deliberation.

Chapter VIII

Television Distribution (Broadcast and Pay TV)

Broadcast Television + General Rights

Art. 38 The distribution of Broadcast Television + General Rights rubrics will contemplate the musical works and sound recordings rights holders and will be done based on the music performances reported in the programming spreadsheets provided by the broadcasters and listening to the recordings made by *Ecad* when the broadcaster and/or programming is selected for this process.

Paragraph 1 The amount to be distributed to the Broadcast Television + General Rights rubrics will be composed of the amount collected from each broadcaster, proportionally increased by 5% of the amounts collected from General users, as described in Art. 19, paragraph 2, item II of this regulation and 5% from sound recordings rights in Concerts, according to Art. 21, paragraph 2 of this regulation.

Paragraph 2 The amount to be distributed will be divided by the total duration or frequency of music performances, considering the importance of the classification by type of use of each song, defined in Art. 50 of this regulation.

Paragraph 3 Each program will be assigned an importance level equivalent to the number of broadcasters that are part of the network that broadcast it, as stated in its agreement. For broadcasters that do not have this information in the agreement, or whose number of rebroadcasts generate distortion in distribution, will be considered importance level 1.

Paragraph 4 The distribution will obey the following frequency:

Music Performance Quarter	Distribution
January, February, and March	July
April, May, and June	October
July, August, and September	January of the following year
October, November, and December	April of the following year

Paragraph 5 In order to confirm the TV programs exhibition, *Ecad* will be able to search the program schedules exhibited by the broadcasters in the different sources of communication.

Paragraph 6 Only the music performances of the programs informed by the broadcasters in their programming spreadsheets will be considered.

Paragraph 7 When there is a recording done by *Ecad*, it can be used, both to confirm the exhibition of the announced program schedule, as to listening to the music performances. If in this process differences are identified in relation to the spreadsheets already sent, the information obtained by listening will prevail.

Paragraph 8 Musical programming sent by broadcasters to *Ecad* after the term will be considered for future distributions of the rubric. The maximum term for receiving overdue spreadsheets and/or information will be up to three years.

Paragraph 9 Broadcast TV distribution considers the duration of music in seconds, except for broadcasts that do not send information in seconds in their programming.

Paragraph 10 For broadcasters where the music performance is considered and not the duration in seconds, the following subdivision of amounts will be considered for the distribution of rights:

- I. 50% of the budget will be allocated to programs classified as Audiovisual TV, considering the duration in seconds;
- II. 50% of the budget will be allocated to music performances of programs classified as TV spreadsheet, according to their frequency.

Paragraph 11 When the broadcaster sends its programming to *Ecad* without information referring to programs classified as TV Audiovisual, 100% of the amount to be distributed will be allocated to music performances of programs classified as 'TV Spreadsheet' or vice versa.

Paragraph 12 When indications of inaccuracy are identified in the programming spreadsheets sent by TV broadcasts, such as increase in performance time, features omission, standard musical work/sound recordings omission, *Ecad* may use the averaging application criterion according to the internal procedure. If there is no parameter for applying the average, *Ecad* can assign the following information:

- I. Consider classification by type of use as BK (background);
- II. Evaluate the performance time of the program and the number of executions/time of the spreadsheet to apply an average considering these two parameters.

Paragraph 13 *Ecad* may use the criterion of applying the average in the cases of programs with standard music performances and which have a high frequency of exhibition, such as journalistic ones, according to the internal procedure.

Paragraph 14 If there is no possibility of applying the average provided in paragraphs 12 and 13 of this Article, *Ecad* will wait the corrected spreadsheet to be sent, without prejudice to the other procedures provided in this Article.

Paragraph 15 The distribution of the Broadcast TV + General Rights rubrics will be done directly and may occur on a sample basis when a broadcaster:

- I. Do not send the programming spreadsheet in the standardized format of *Ecad* and/or
- II. When it is verified that the spreadsheet does not have the total of the exhibited program or information with sufficient quality to allow the distribution of all its content.

Paragraph 16 The amounts collected from broadcasters that do not send their programming will be added to the amounts of the other broadcasters, respecting the proportionality of the amounts collected for each one, and will include the music performances informed in their programming.

Paragraph 17 If a broadcaster fails to make payment and continues to send its programming, the following criteria will apply:

- I. If there is a delay in the payment of one or two monthly payments for the quarter, the spreadsheets for the three months will be considered for the distribution of amounts.
 - a) When the payment of monthly installments delayed occurs, there will be a complement to the distribution considering the lists corresponding to the same period.
- II. If there is a delay in the payment of the three-monthly installments for the quarter, there will be no distribution of the broadcaster rubric, but the spreadsheets will continue to be used to identify the executions and make up the list.
 - a) If a broadcaster remains in default for 2 full quarters, the typing of this broadcaster's lists will be suspended.
 - b) The *Ecad's* General Meeting may authorize, on an exceptional basis, the typing of the lists of the defaulting broadcaster.
- III. When late payments are made, the lists of executions captured in the period will be paid through a specific rubric or by a complementary distribution. For the period with no list captured, the amount will be added to the budget for the next regular distribution of this broadcaster.

Pay Television

Art. 39 The distribution of Pay TV rubric will be made based on the amount monthly collected from the respective operators, apportioned by groups of channels Music, Alternative, Audiovisual, Journalism/Sport and Variety, according to the predominant characteristics of the programming.

Paragraph 1 The following frequency will be considered for Pay TV distribution:

Music Performance Quarter	Distribution
January, February, and March	August
April, May, and June	November
July, August, and September	February of the following year
October, November, and December	May of the following year

Paragraph 2 Of the total amount to be distributed, 10% will be allocated to the Music group, whose distribution will be done directly, based on the programming sent by the operators, and will include musical works and sound recordings rights holders performed on exclusively national channels of music.

Paragraph 3 The remaining 90% of the budget will be considered as 100% for a new apportionment that will include the other groups in the following proportion:

Percentage	Group	Type of Channel and Prevalent Programming
40%	Alternative	Broadcast TV channels rebroadcasted by Pay TV operator
25%	Audiovisual	Films, cartoons, soap operas and series
10%	Journalism /Sport	Journalism, sport, documentary, interview
25%	Variety	Musical, concert, auditorium program and varieties program

Paragraph 4 From the percentage of each group, a new proportion will be defined according to the feature of the programming ('TV Audiovisual' and 'TV Spreadsheet'), as follows:

Group	Audiovisual Schedule (TV Audiovisual)	Variety Programming (TV spreadsheet)
Alternative	50%	50%
Audiovisual	95%	5%
Journalism/Sport	10%	90%
Variety	50%	50%
	0	100%

Paragraph 5 The amount to be distributed for each channel will be obtained by dividing the total budget of the corresponding group by the number of member channels, except for the alternative group.

Paragraph 6 The distribution of the alternative group will comply with the following criteria:

- I.** Only the channels that included the typed lists in the Broadcast TV rubrics of the same period will be part of the alternative group.
- II.** The alternative group amounts will be split between channels based on their audience.
 - a)** The channel's audience will be verified quarterly.
 - b)** To calculate the percentage of accumulated participation of the alternative group channels, the average audience in the quarter will be used.
 - c)** For the channel that does not reach any point in the audience, measurement will be assigned 0.001 point.
- III.** The importance level rule according to Art. 38, paragraph 3 of this regulation will be replicated in the Pay TV distribution.

Paragraph 7 All audiovisual programming (Audiovisual TV) exhibited on national and foreign channels will be distributed directly and will include musical works and sound recordings rights holders, complying with the following criteria:

- I.** For the composition of the programming lists classified as Audiovisual TV, *Ecad* will use the information provided by Pay TV operators, except for the alternative group, as the internal procedure.
- II.** The values of channels classified as foreign without the possibility of identifying the programming and the Journalism/Sport group will be sent to the countries of origin, according to paragraph 9 of this Article.

Paragraph 8 The variety programming (TV Spreadsheet) exhibited on national channels will be distributed through a sample and will include musical works and sound recordings rights holders, complying with the following criteria:

- I.** For the composition of the lists, the music performances will be identified by listening to the recordings made by *Ecad*, according to the internal procedure, considering the frequency and importance level of the classification by type of use, defined in Art. 50 of this Regulation.
- II.** Exception for the Alternative group, as internal procedure.
- III.** The amounts referring to the programming of variety channels classified as foreign will be sent to the countries of origin, pursuant paragraph 9 of this Article.

Paragraph 9 The values of channels classified as foreign: from the Journalism/Sport group, channels without the possibility of programming identification and referring to variety programming will be transferred according to the following criteria:

I. Musical Works

- a)** 80% will be transferred to the national Music Association representing the Music Association of the country in which the program is broadcast;
- b)** 20% will be distributed proportionally to the national sub-publishers participating in the spreadsheet TV of the Pay TV groups;
- c)** If there are two or more foreign Music Associations represented, the amount allocated to the channel will be divided as agreed between the representative Music Associations involved;
- d)** The amount allocated to channels with transmission or production in foreign countries without representation by national Music Associations and channels without the identification of the transmission country will be added to the amount to be distributed from the respective Pay TV groups.

II. Sound Recordings

- a)** 41.70% referring to the performers will be transferred to the national Music Association representing the Music Association of the country where the channel is broadcast;
- b)** 11.70%, referring to the participation of record producers will be transferred to the national Music Association representing the Music Association of the country where the channel is broadcast;
- c)** 30% will be proportionally distributed to national record producers participating in the lists of TV groups' spreadsheet of Pay TV;
- d)** 16.60% will be distributed to performing musicians, listed in the national sound recordings participating in Pay TV groups' lists.
- e)** In the case of countries where there are two or more foreign Music Associations representing rights holders of the same category, the amount will be divided as agreed between the representative Music Associations involved.
- f)** If there is no representation agreement with the Music Association of the country of the transmission or production channel for the category of performer, the calculated amount will be added to the amount to be distributed to the respective Pay TV groups.
- g)** If there is no representation agreement with the Music Association of the country of the channel transmission or production for the category of record producer, the calculated amount will be added to the 30% mentioned in subitem 'c' of this item to include the record producers that participate in the lists of Pay TV groups spreadsheet.
- h)** The amount allocated to channels with transmission or production in foreign countries without representation by national Music Associations and to channels without the identification of the transmission country will be added

to the amount to be distributed from the respective Pay TV groups.

Paragraph 10 If it is not possible to obtain the identification of the country of the channel transmission, the information of the country of production will be used for distribution purposes.

Paragraph 11 The channels that do not integrate the groups provided in the *caput* of this Article will not be considered for the composition of the budget and distribution of the Pay TV rubrics.

Chapter IX

Digital Services Distribution

Art. 40 The distribution of amounts that comes from users who use music on the internet (Digital Services) will be done through the rubrics Internet Concerts, Internet Simulcasting, Other Internet, Music Streaming, and Audiovisual Streaming.

Internet Concert

Art. 41 The distribution of Internet Concert rubric, relating to the exclusive or simultaneous transmission of concerts on the internet, will be based on the musical script of each event or the recording made, as paragraphs 8, 9, and 11 of Art. 21 of this regulation and will cover musical works rights holders.

Paragraph 1 The amount to be distributed for each broadcast concert will be divided by the total number of music performances presented in the respective concert, following the same division as in Art. 21, paragraphs 5 and 6 of this regulation.

Paragraph 2 The distribution of Internet Concert rubric will be monthly.

Internet Simulcasting

Art. 42 The distribution of Simulcasting Internet rubric will be done based on the regionalized distribution lists of AM/FM radio broadcasters, coming from users who also have a simulcasting classification and will include musical works and sound recordings rights holders.

Paragraph 1 The amount to be distributed will consist of the amount collected monthly for the simulcasting classification apportioned by the music performances that participate in the lists described in the *caput* of this Article.

Paragraph 2 The distribution of the Internet Simulcasting rubric will be quarterly and will obey the following frequency:

Music Performance Quarter	Distribution
January, February, and March	July
April, May, and June	October
July, August, and September	January of the following year
October, November, and December	April of the following year

Streaming

Art. 43 The distribution of the music and audiovisual streaming rubrics will be done directly, based on the programming sent by each responsible user, through an electronic file, and will include musical works and sound recordings rights holders under the agreement established with the platform.

Paragraph 1 The identification of music performances will be done by an automatic identification process.

Paragraph 2 The distribution of Streaming rubrics will occur quarterly, in February, May, August, and November.

Paragraph 3 The distribution of music streaming rubrics will comply with the following criteria:

- I.** The amount to be distributed will consist of the amount collected from each user, which will be grouped into two rubrics at most, considering free plan and paid plan, and shared by the music performances related to the settled month applying the cutoff line of BRL 1.00.
- II.** Registrations with pending of identification will not be generated for musical works not identified in the automatic processes.
- III.** The amounts referring to the performances of unidentified musical works will be accumulated in a technical saving for future payments with the appropriate monetary corrections, after regularization of the registrations.

Paragraph 4 The distribution of audiovisual streaming rubrics will comply with the following criteria:

- I.** The amount to be distributed will consist of the amount collected from each user, shared by the number of exhibitions of audiovisual works. The value corresponding to the number of exhibitions in the period considered for each distribution will be attributed to the audiovisual work.
- II.** The calculated value for each audiovisual work will be divided by the total duration of the musical soundtrack, considering the importance level of the classification by type of use of each song described in Art. 50 of this regulation.
- III.** The value of audiovisuals with exhibitions that are in the registration status as 'pending of identification' will be retained until registration is regularized.

Paragraph 5 When the distribution of a platform is not technically and/or economically viable, its budget will be added to a large platform with a similar repertoire.

Other Internet

Art. 44 The distribution of Other Internet rubric will be done based on the sound recordings lists sent by compliant users, who use music on website, webcasting, and podcasting (except for the executions of music streaming platforms) and will include musical works and sound recordings rights holders.

Paragraph 1 The amount to be distributed will consist of the amount collected from users, shared by the sound recordings that participate in the sample.

Paragraph 2 For the composition of the sample, the sound recordings sent by users will be selected through a random system, according to the internal procedure.

Paragraph 3 The distribution of the Other Internet rubric will be per semester and will obey the following frequency:

Music Performance Semester	Distribution
January to June	December
July to December	June of the following year

Chapter X

Common Provisions to Distribution

Art. 45 *Ecad* will prepare the distribution schedule monthly, for internal and Music Association monitoring, regarding the deadlines for sending documentation, processing, and transferring credits.

Art. 46 The music performances captured and identified by *Ecad* will be included in the lists of each rubric, according to their respective criteria.

Paragraph 1 Only musical works and sound recordings that can be identified will be considered for the composition lists.

Paragraph 2 If there is more than one sound recording of the same musical work, with the same classification and the same performer, if it is not possible to identify the performed sound recording, the data referring to the most recent sound recording will be considered.

Paragraph 3 The following are excluded from the composition of samples and lists for distribution:

- I. Music performances for advertising, commercial, or institutional promotion of a product, company, event, communication means, program, political party or profit/nonprofit institution, whether the musical work and/or sound recording was originally created or not for that purpose, such as in jingles, vignettes, spots, broadcaster prefixes and similar;
- II. Music performances performed in programs that are compulsorily presented by broadcasting companies, by law, such as news, messages and official educational programs and political programming;
- III. The songs informed in the program sent by users that are not found through the listening processes;
- IV. IV. Sound effects used as sound design;
- V. Music performances free of charges, that is, those in the public domain or under individual management.

Paragraph 4 If there is any doubt about the content of the information sent by music users, *Ecad* may suspend the creation lists and request the correction or proof of the information.

Art. 47 The amounts provisioned for future distributions will be monetarily updated by the same financial indexes used by *Ecad*.

Art. 48 The amounts credited in the name of a transferred right holder will be sent to the new Music Association. The percentage of participation of the previous Music Association will be proportionally calculated up to ninety days after the transfer date of the right holder, according to the distribution captured period.

Art. 49 In the case of transfer of representation from a foreign Music Association, the percentage of participation of the national Music Association that represented it will be calculated and transferred proportionally up to ninety days after the expiration date of the representation agreement, observing the captured period for each distribution.

Art. 50 For processing purposes, music performances in the rubrics of Movie Theater, Broadcast TV, Pay TV, and Audiovisual Streaming will be classified according to the type of use, as shown in the table:

Classifications by Type of Use		Importance Level
Background	BK	1/12
Other works	DM	2/12
<i>Performance</i>	PE	6/12
Opening theme	TA	12/12
Closing theme	TE	12/12
Block theme	TB	4/12
Character theme	TP	8/12
Theme	TM	4/12

Paragraph 1 In cases where the use of sound recordings classified by type of use 'Performance' is proven through the registration of the audiovisual work, the sound recordings rights holders will also be considered.

Paragraph 2 The concepts and procedures relating to classifications by type of use of the music performance are defined in the internal procedure.

Art. 51 Due to agreements and/or other conventions with music users or their representatives, new distribution criteria may be created which, upon approval by the General Meeting, will be part of this regulation.

Art. 52 The amounts coming from judicial decisions releases or special agreements may be distributed to the corresponding rubrics in a complementary or extraordinary way, as defined by the General Meeting.

Art. 53 If there is a delay in monthly judicial amounts releases, all the lists of executions captured in the corresponding period will be included in the current distribution of the rubric, and when the payment in delay is made, the same lists of executions will be used in complementary distribution.

Art. 54 The rules that define judicial blockings or not are defined in an internal procedure approved by the General Meeting.

Art. 55 *Ecad* will do the debit and/or credit adjustments when inaccuracies are identified in the distribution and referring to the debt of a right holder with a Music Association from which he left.

Paragraph 1 The adjustments caused by amounts incorrectly distributed or not distributed will comply with the following criteria:

- I.** The deadline for the request will be up to 03 (three) years after the original distribution date;
- II.** They will be processed quarterly, in the months of January, April, July, and October.
- III.** The adjustment will only be done if it reaches the established minimum value, described in the internal procedure.
- IV.** The debit and credit amounts will be monetarily updated by the same financial indexes obtained by *Ecad*.

Paragraph 2 Any debts of the transferred right holder, properly proven, will be deducted from their rights/royalties and sent to the Music Association from which they left, upon request of it. Considering that:

- I.** The creditor Music Association will receive the percentage of participation related to the rights that the holder may receive, according to the internal procedure.
- II.** Will be considered as proof of debts of the rights holders, bank deposit in the name of the right holder/assignee, or receipt signed by the right holder, attorney, or assignee. The right holder's current account statement at the Music Association will not be considered as valid proof.
- III.** In case of disagreement based on one of the parties, the debt will not be released until there is a consensus between the parties, according to the internal procedure.

Paragraph 3 The rules that define Music Associations and rights holders' debits, incorrect releases, and any other type of adjustment, whether debit or credit related to the distributions already made, their respective request, necessary documentation, and form of realization, are in the internal procedure approved by *Ecad's* General Meeting.

Art. 56 *Ecad* is prohibited from disclosing in advance the recording scale of the audios of radio broadcasters and the recording scales of users of Pay TV, Live Music, Nightclubs, Background Music, CTGs, New Year's Eve Parties and Carnival Events, *Festa Junina*, or any other scale that is the object of sample composition.

Sole Paragraph After the end of the distribution, the information related to the users included in the respective samples will be made available for the knowledge of the Music Associations.

Art. 57 The amounts referring to musical works and sound recording rights from cable rebroadcast, when received from abroad by the national Music Associations, will be transferred to *Ecad* within 60 days after receipt and will be added to the amounts of the rubrics corresponding to the national channels. For exceptional cases, the criteria for distributing these amounts will be established by the General Meeting.

Chapter XI

Retained Credits

Art. 58 The credits related to music performances that participate in the lists whose registrations are 'pending of identification' or in conflict, will be retained until the regularization of the registrations are done. The same applies to rights holders with registration status 'pending of identification' or in conflict.

Paragraph 1 In the distribution of the Broadcast TV and Pay TV rubrics, credits will not be provisioned for the audiovisual works captured with the registration status 'pending of identification'. After regularizing the registrations, the amounts will be transferred in the next rubric distribution.

Paragraph 2 In the distribution of Broadcast TV and Pay TV agreements rubrics, credits will not be provisioned for the audiovisual works captured with the registration status 'pending of identification'. After registration's regularization, the amounts will be transferred and will be deducted from the technical saving provisioned for this purpose.

Paragraph 3 The release of retained credits referring to music performances without a provisioned amount will be deducted from the amounts of the original rubrics in the subsequent distribution.

Paragraph 4 Only pending music performances that have minimum information for further identification of their rights holders will be included and will be part of the list of retained credits, as follows:

- I. Musical works rights - the title of the musical work, performer name, or an author's reference;
- II. Sound recordings rights – the title of the musical work and the sound recording performer.

Paragraph 5 The sound recording rights of instrumental sound recordings captured through recordings made by *Ecad* and without reference of the performer(s) may be provisioned in the list of retained credits using the author's reference and/or the name of the program of origin.

Paragraph 6 Insufficient registration data of musical works rights holders will not result in the retention of credits that belong to sound recording rights holders and vice versa.

Paragraph 7 *Ecad* will make available in the Information System the list of musical works, sound recordings, and rights holders with retained credits, containing the original rubrics and period of music performance, which will be updated monthly, according to the distribution schedule.

Paragraph 8 Credits retained not identified in five years, counted from January 1st of the year following the corresponding transfer of the distribution, will be redistributed in the original rubric and, if this has been extinguished, in a replacement rubric. Considering that:

- I. Registrations with the status 'judicial block' will remain with the retained credits until released by a court order.
- II. For 'conflicted registrations', the period of five years, provided in this paragraph, will be interrupted and restarted with the first communication either from the *Ecad* or the Music Associations involved, at the administrative level, communicating the facts that cause the conflict, the existence of credit to be paid and informed about the deadline of 05 years for the friendly solution of the conflict, or *Ecad's* receipt of a court order determining the blocking, under penalty of prescription of the credits.

Paragraph 9 The amounts provisioned for the category of performing musician, in a sound recording registration pending of identification, will return to the original rubric when associated with a sound recording released without the participation of a performing musician.

Chapter XII



Proof of Payments

Art. 59 All credit transfers made by *Ecad* will be subject to individual and collective reports provided exclusively to the member Music Associations, except in case of a request by the competent authority. The reports will have the amount transferred, the right holder identification, musical work and/or sound recording, and other information available and relevant to the payment already made.

Chapter XIII

Transitional Provisions

Art. 60 The *Ecad's* General Meeting has approved a new rule for Pay TV distribution, referring to the share the budget by groups and channels: each group of channels will have an importance level according to the relevance of the music in its programming; to calculate the value of each channel, the importance level of the group and the number of subscribers of each channel, informed by the operator, will be considered; the group's budget will be calculated according to the total percentage share of the group's channels over the net amount distributed. As technical and operational adaptations are necessary, the rule has no date to enter in force. Approval can be found in the minutes of the 479th General Meeting, of July 2017.

Chapter XIV

Miscellaneous

Art. 61 The main changes included in this document version:

- I.** Insertion of the rule that provides the obligation of the category of performing musician in the registrations of national sound recordings;
- II.** Change in the audiovisual registration rule;
- III.** Change in the text of the rule to obtain a concert script;
- IV.** Change in the periodicity of the Movie Theater rubric to quarterly;
- V.** Exclusion of assisted identification in the radio segment;
- VI.** Insertion of the retroactive list in the Radio segment;
- VII.** Change in the percentage of Pay TV variety group;
- VIII.** Details of the retained credit limitations/prescription rule.

Art. 62 The present Distribution Regulation updates and modifies the regulation in force since December 11, 2019, with subsequent modifications, and must be registered at the competent Registry Office.

Art. 63 The provisions of this Distribution Regulation revoke all regulations and decisions that have previously been adapted for the distribution of rights by *Ecad's* General Meeting.

Art. 64 The cases not provided in this Regulation will be considered by *Ecad's* General Meeting.

Art. 65 The distribution rules approved by *Ecad's* General Meeting may change the rules of this regulation. Approvals are available for consult in the minutes of the respective meetings and will be amended in the Regulation in the subsequent update.

Art. 66 Approved in the 539th meeting of the General Meeting, on March 17th, 2021, this Distribution Regulation were signed by the representatives of the effective Music Associations present at that meeting and identified in the respective minutes.