

## **The NCB General Policies**

**The general policies are adopted at the NCB General Meeting.**

**You can see the general policies for each area below:**

- 1. NCB's general distribution policy**
- 2. NCB's general deduction policy**
- 3. NCB's general policy on non-distributable amounts**

## **1. NCB's general distribution policy**

NCB will represent all rights holders equally regardless of society membership, vote eligibility or nationality.

The preferred basis for all distribution sections is Line-by-Line. Every invoiced work on every invoiced line is processed with revenue allocated and individually identified on statements.

Royalties not able to be distributed Line-by-Line are distributed as lump sums based on collection in the same collection period, category and territory.

Royalties due to Nordic based authors, composers and music publishers are distributed via Koda, STEF, STIM, Teosto and TONO.

Royalties due to international rights holders are distributed via affiliated societies based on NCBs reciprocal and unilateral agreements.

## **2. NCB's general deduction policy**

### **1. Deductions for operating costs**

The NCB operating costs are covered by the commission from distributed royalties including fees and interest from late reporting.

Costs that can be directly connected to a specific collection category are placed in that specific category. Costs with no direct connection to a specific collection category, are split by collection percentage in the range of categories they represent.

Commission rates are fixed based on the approved budget for the year, and are set per category. There are no other deductions in any category to cover administration costs etc. Commissions are deducted when the royalties are being distributed to rights holders.

The commission rates are set yearly by the board of directors and the commission rates will be displayed at [www.ncb.dk](http://www.ncb.dk).

### **2. Deductions for social and cultural purposes**

NCB does not deduct social or cultural amounts on any mechanical rights.

When NCB handles performing online rights on behalf of other societies, NCB could deduct social and cultural amounts on the performing rights part of online rights upon request of such other societies.

All such amounts are transferred to the relevant society for further handling. Thus, NCB refers to Koda, STEF, STIM, Teosto and TONO for further information.

### **3. NKF – Norwegian Composers Foundation**

In accordance with the Norwegian Act of April 9, 1965 no.1, regarding The Norwegian Composers' foundation, NCB also deducts 2% on all sales in Norway. However, this is not a deduction but an extra charge, since the 2% are added to the invoice. NCB refers to the Norwegian Composers Foundation and the Norwegian Act of April 9, 1965 no.1 for further information.

### **3. NCB's general policy on non-distributable amounts**

In general, royalties are distributed based on relevant works documentation. Should it not be possible to pay out received amounts within three years, NCB regards the amounts as non-distributable, and the amount is distributed as a lump sum based on collection in the same collection period, category and territory.

However, there are some exceptions from this rule, where NCB is entitled to hold onto distributable funds until such time as the matters are resolved, e.g. infringements, disputes and counter claims.