

Act No 110/2016

on Temporary Reimbursements for Recorded Music

CHAPTER I

Objective and scope of application

Article 1

Objective

The objective of this Act is to support the Icelandic music industry by providing producers of phonograms with a temporary right to reimbursement for part of the costs incurred when recording music in Iceland.

Article 2

Scope of application

This Act covers partial reimbursement of costs incurred when recording music in Iceland that has been released and made accessible to the general public.

The reimbursement is 25% of the eligible cost incurred in the European Economic area when more than 80% of the total recording costs are incurred in Iceland.

Article 3

Definitions

For the purposes of this Act the following meanings shall apply:

1. *Eligible costs*: Costs that may be used to calculate the reimbursed amount, cf. Article 6.
2. *Music*: Art form where notes and sounds are utilised in an organised manner for various types of expression in a musical work.
3. *Release of phonograms and access for the general public*: A phonogram is deemed to have been released and made accessible to the general public when it has, with due authorisation, been publicly offered for sale, lending or rent, or otherwise distributed to the general public.
4. *Producer*: An individual, a group of individuals or a legal entity that is financially responsible for the production of a phonogram.

CHAPTER III

Application process, etc.

Article 4

Application

An application for the partial reimbursement of costs incurred by recording in Iceland shall be submitted to the Ministry, along with supporting documents, within six months from the release of the most recent phonogram to which the application for reimbursement applies.

A specially appointed four-person committee shall review applications and submit recommendation of reimbursements to the Minister. . The Minister shall appoint the Committee, with two members being nominated by the Collecting Society for Performing Artists and Phonogram Producers (SFH), i.e. one member representing performers and one representing music producers, one nominated by STEF (The Performing Rights Society of Iceland), and one appointed without nomination and who shall serve as Chair. Alternates shall be appointed in the same manner. In case of a tie vote, the Chairman haste deciding vote.

When assessing applications for reimbursement, the committee may seek opinions from specialists on whether the conditions of Article 5 are met.

Article 5

Requirements for reimbursements for the publication of phonograms

In order for a publisher to be reimbursed for recordings that have been released and made accessible to the

general public, the following requirements shall be met:

- a. The combined playing time of the recorded music is no less than thirty minutes.
- b. The phonograms were released within an eighteen-month period.
- c. No more than six months have elapsed since the release of the latest phonogram.
- d. There are itemised accounts for eligible costs incurred while recording, along with copies of invoices.
- e. Information on the parties involved in the recording and performing.
- f. The phonograms have been released and made accessible to the general public.
- g. *An ISRC code has been allocated to the phonograms and they have been fully registered at www.hljodrit.is or in a similar database in the country of the producer if not Icelandic.
- h. The final registration of recorded works has been completed with authorised copyright societies along with a proof of payment to authors, if applicable.
- i. Information regarding how the phonograms were made accessible to the general public.
- j. The producer does not have outstanding taxes or other debts to the State or municipalities or other outstanding general government payment claims.

Phonograms containing music to promote a particular product or service and recordings of audiobooks are not applicable for reimbursement according to this Act.

CHAPTER III Reimbursements

Article 6 *Eligible costs*

Partial reimbursement may be made for the following costs incurred when recording phonograms that are previously unreleased and are released within an eighteen-month period:

- a. Hourly studio rates for recording.
- b. Wage expenses incurred during the recording for hired performers, producers, engineers or studio personnel.
- c. Post-production (including sound mixing and mastering).
- d. Travel and transport costs for musical instruments and lead performers.
- e. Own salary, cf. Article 7.

When recording occurs at concerts, exhibitions or similar events, only direct costs for recording, post-production and royalties for performers may be calculated for reimbursement.

Article 7 *Own work*

If the same party is a producer, technician and/or performer, the party may calculate, as part of eligible costs, an own salary equivalent to a single monthly salary for artists, cf. Article 4(1) of the Icelandic Artists' Salaries Act.

Article 8 *Reimbursement*

The ratio of reimbursements shall be 25% of reimbursable costs incurred by recording.

A single producer cannot receive a reimbursement in excess of ISK 30,000,000 over a three year period.

CHAPTER IV Miscellaneous provisions

Article 9 *Other grants*

If an applicant has received a grant from public entities for the same recordings, the grant shall be deducted from the amount that is considered to be domestic reimbursable costs.

Article 10 *Regulations*

The Minister shall issue regulations on the implementation of this Act, stipulating, among other things, the

execution of reimbursements, the Minister's authorisation to delay reimbursements that may exceed the funds allocated by Parliament at any time, conditions for reimbursements, applications, the processing of applications and decisions on reimbursement.

Article 11

Entry into force, etc.

This Act shall enter into force 1 January 2017. The Act shall become void on 31 December 2021. Requests for reimbursement received by the Ministry prior to that date shall be processed.

An application for partial reimbursement of costs incurred can only be made for recordings released and made accessible to the general public subsequent to the entry into force of this Act.

Prior to 31 December 2021, the Minister shall carry out a performance assessment of the effects of this Act on the recording of music in Iceland.