

Explanations and Instructions on STEF's

Membership Agreement

1. In order to enjoy full rights of distribution and in order to gain the right to take part in elections and decision-making within STEF, right holders must sign a membership agreement with STEF. On becoming a member of STEF, the author is allocated an international author number, a so-called IP number.
2. Domestic right holders, who are not members of STEF, can however receive distributions regarding domestic performance of music, if their works are registered at STEF and if an announcement is received regarding their domestic performance, in accordance with STEF's ECL (Extended Collective License) as approved by the Ministry of Science, Education and Culture. The right holder in question can however not receive a distribution from STEF regarding public performance abroad, or for copying or synchronisation.
3. If there are more than one right holder of a work, all the right holders must have signed a membership agreement with STEF for being able to receive royalties for public performance of their work outside of Iceland.
4. According to a European directive, STEF is obliged to offer its members the possibility to choose how extensive their transfer of rights to STEF is and, thus, the membership agreement includes automatically categories for the different rights and uses of works. Changes can be made to the membership agreement in this respect under the same conditions as it can be terminated. Should someone choose to exclude one of the categories, STEF has the authority to demand a higher commission from that person, as it can be very complicated and time consuming to filter out specific categories of rights from blank agreements between STEF and its clients. STEF can also in this regard, request that the person in question sign a statement which frees STEF from the responsibility of the mistakes or confusion that it could cause.
5. In one part of the membership agreement it says that irrespective of the membership, authors can make agreements with **music publishers**. Such agreements include their registration in the databases of collective management organisations, analogous to their being co-authors. Thus, music publishers receive part of the copyright royalties, which is in fact their return for specific services they provide to authors. Further information on such agreements can be found on the website of STEF under the tab "Music Publishers", entitled "Useful Information for Authors". (In Icelandic only.)
6. One of the categories of rights included in the membership agreement is **Mechanical rights**. It refers to making copies of the right holder's works, e.g. with the release of CDs and vinyl records, and to electronic "copies", as when downloading of works is available on the internet.
7. The transfer of rights also includes **synchronisation** which refers to synchronisation of audio (*sound*) and video (*image*). With the membership agreements, STEF receives the authority to negotiate the synchronisation of audio-visual works in the event of a specific, limited use on television, according to the agreements between STEF and producers. NBC (Nordisk Copyright Bureau), which is a society in the ownership of Nordic copyright societies, also handles such authorisation on behalf of authors in the Nordic countries, and the Baltic states. To the extent where STEF is not authorised to negotiate

synchronisation, the right holders themselves handle such negotiations, or the music publishers on their behalf.

8. The membership agreement presupposes that the transfer of rights is on a world-wide basis, or in specific areas. The agreement can be limited to specific areas or countries if members are also members of other copyright societies which operate in other areas than in Iceland. It is advisable to seek special counselling before making decisions to that effect. If a right holder is already a member of another copyright society upon signing the membership agreement, he or she must notify that to STEF specifically.
9. The membership agreement stipulates the possibility of terminating the agreement or make changes of it when it comes to categories of rights or applicable areas or countries, if the termination is in writing and done with a six months' notice before the end of the calendar year. This means that if the agreement is e.g. terminated on the first of June, the termination will come into effect at the beginning of the next year. If, on the other hand, the agreement is terminated on the first of November, the right holder will have to wait until the beginning of the year after the next for the termination to come into effect.
10. New members of STEF are recommended to study STEF's *Articles of Association and Distribution Rules* which can also be found on the website, www.stef.is.