

Annex: Summary of Key Licence Conditions

A. Members' Rights

1. The licence conditions establish a minimum standard for CMOs in their dealings with members:
 - a) CMOs must give each of their members a copy of their membership agreement and any change to the membership agreement must be made in writing.
 - b) CMOs must offer potential members the option of entering into non-exclusive membership agreements. For existing members, CMOs must offer an unconditional right to vary or terminate the rights granted to the CMO, including varying the grant of rights from an exclusive to a non-exclusive basis (or vice versa), subject only to a notice requirement.
 - c) CMOs must give their members a right to participate in the operation of the CMO, including giving them a say in the appointment and removal of directors.
 - d) CMOs must establish, maintain and comply with the following policies, which can be amended only with approval of their members:
 - i. A membership policy that sets out how a CMO manages its relationship with its members;
 - ii. A distribution policy that governs critical aspects of the distribution of tariffs; and
 - iii. A dispute resolution policy that deals with disputes with their members or users.

B. Distribution of Tariffs

2. The distribution policy which must set out matters such as the method to calculate tariffs, the frequency of tariff distributions, and the way in which a CMO deals with collected tariffs that it is unable to distribute. A CMO must generally distribute a tariff within 6 months after the financial year in which it collected that tariff (unless the distribution policy provides for a longer period). When distributing tariffs, the CMO must also provide usage information for members to understand the distributions they receive, and members must be given the opportunity to dispute and/or query distributions.

C. Dispute Resolution

3. The dispute resolution policy must provide a dispute resolution process in which members and users (including intending users) can raise disputes to the CMO, which must then respond within a specified period. The dispute resolution policy does not preclude any party from referring their dispute to a Copyright Tribunal.

D. Ensuring Good Governance

4. Several safeguards are included to ensure that CMOs operate in a transparent and accountable manner. CMOs are required to:
 - a) Keep proper financial records.
 - b) Allow members to inspect financial records.
 - c) Make annual transparency reports.

E. Information to Provide to Members of the Public

5. CMOs must set up and maintain a website with key information and up-to-date documents to enable the public, including potential users and members, to make informed decisions before transacting with the CMO. For users, this includes obtaining confirmation and proof on whether certain materials that are sought to be licensed are within a CMO's repertoire.