

SAGAI

# LIQUIDATION OF RIGHTS **PROCEDURE**

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[sagai.org](http://sagai.org)

# Article 1

## GENERAL PROVISIONS.

**SECTION 1:** These provisions shall govern the procedure for the liquidation<sup>I</sup> of the amounts of money collected for the right to communication to the public, in different users, between the set of works managed by SAGAI, in accordance with what was established in the Decree 1914/06.

**SECTION 2:** The Management Committee shall have the power to pass any regulations regarding the liquidation system to guarantee the proper and fair application of the general provisions set forth in the Decree 1914/06. To that end, it will consider the nature of the royalties payable to performers, as well as the specificities and complexity involved in their collection, supervision, processing, and calculation, applying an equitable and proportional method.

Furthermore, the Management Committee shall have the power to pass any regulations regarding the liquidation of rights that are not considered herein.

**SECTION 3:** The Distribution Committee shall have the power to recommend the Management committee the amendments considered necessary regarding the liquidation system. The Distribution Committee shall also be competent to solve administrative claims<sup>II</sup> related to the liquidation of rights.

**SECTION 4:** In order to determine the net sum to be distributed during the liquidation period, the following items shall be discounted:

- a) The management fees destined to cover the management expenses, in accordance with SAGAI's Bylaws.
- b) The amounts allocated to the fund for welfare, cultural and training purposes, administered by SAGAI's Foundation, in accordance with SAGAI's Bylaws.
- c) The reserve for future contingencies, in accordance with SAGAI's Bylaws.

**SECTION 5:** The liquidation of rights shall take place once a year, the Management Committee being able to set forth a different periodicity, i.e.: for every kind of user.

**SECTION 6:** As for the liquidation of members from foreign entities with which SAGAI has signed reciprocal agreements, they shall follow the procedure established in those agreements, in accordance with Decree 1914/2006.

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<sup>I</sup> Procedure for the Liquidation = distribution system, process of distribution, liquidation system, distribution system.

<sup>II</sup> Administrative claims = revisions in the distribution, contingencies for the liquidation, revisions to the liquidation of rights procedure.

**SECTION 7:** The provisions set forth herein are governed by the following general principles:

- **Predetermination Principle:** according to which, every distribution of the amounts collectively collected shall be carried out according to the rules in force, established and documented before the liquidation.
- **Proportionality Principle:** according to which, the distribution and the reserves for the participation of the holders of the rights, shall be carried out with proportion to the use of the artistic performances generating the aforementioned right.
- **Equity Principle:** according to which, the distribution and the reserves for the participation of the holders of the rights, shall be carried out granting the same treatment to situations of similar nature, establishing, to that effects, corrective criteria to make more flexible the application of the Proportionality Principle according to the concrete case so as to obtain a fairer distribution.
- **Non-arbitrariness Principle:** according to which, the distribution system shall be articulated on premises justifying the equal application of their provisions, in accordance with the kind of exploitations of the artistic performances protected and with the law in force.

## Article 2

### PROCEDURE FOR THE LIQUIDATION.

**SECTION 8:** In order to determine the individual rights, the liquidation process has two stages: the Primary Distribution, by which the amount for each work is determined and the Secondary Distribution, by which the previous amount is distributed among the holders of the rights to it.

**SECTION 9:** For the distribution of the rights collected in any user, the following information may be used:

- a) Information received from *Argentores, SADAIC, DAC*.
- b) Information received from the Argentine Organization of Actors.
- c) Sworn statements submitted by users.
- d) The audiovisual inspection established by SAGAI and its Work Committee defined by the Management Committee.
- e) The information obtained from ENACOM (National Entity of Communication), INCAA (National Institute of Movies and Audiovisual Arts).
- f) The information obtained from specialized companies. I.e., dubbing labs.
- g) The information obtained from foreign entities with which SAGAI has agreements in force.
- h) Statements submitted by members, directors of dubbing works.
- i) Any other source of information allowing the identification of broadcast, works, artistic files or performances.

## CHAPTER I – PRIMARY DISTRIBUTION (AMOUNT PER WORK)

### PART A – Movie theaters

**SECTION 10:** The rights coming from movie theaters are distributed among the works displayed during the liquidation period and for those works that collected rights. Primary distribution shall consist of the sum of the amounts collected for each work in every movie theater where those rights had been paid during the mentioned period, according to the income informed by each user. In the event that the movie theater does not inform the income, the money collected shall rise proportionally the works liquidated within the period.

### PART B – Television

**SECTION 11:** The Primary Distribution of the amounts collected from TV broadcast shall be carried out by means of a system of scoring, among the works transmitted for every emission during the liquidation period. The money collected by TV broadcast retransmitting the works shall raise the amount to be distributed among the retransmitted TV broadcast.

**SECTION 12:** In order to calculate the Primary Distribution, two referential values shall be taken into account: the point value and the scoring of each work.

**12.1.** The scoring of each work shall come up as follows:

a) Works shall be classified in the following items<sup>III</sup> with the following scoring:

ID	ITEM NAME	POINTS
300	Theater plays	90
312	Full-length film	90
311	Medium-length film	45
310	Short-length film	15
322	Animated full-length film	22,5
321	Original voice (+16)	7,5
320	Original voice (- 15)	3,75
323	Literary tale	3,75
332	Series (60)/One person/Miniseries/Sketches	60
331	Series (+16)/One person/Miniseries/Sketches	30
330	Series (-15)/One person/Miniseries/Sketches	15
344	Docu-fiction (90) Full-length film	31,5
348	Educational fiction / docu-fiction (60)	21

<sup>III</sup> In the ANNEX attached here to you may find the definitions of each item.

ID	ITEM NAME	POINTS
343	Educational fiction / docu-fiction (30)	10,5
351	Educational fiction / docu-fiction (15)	5,25
347	Stand Up	10,5
342	Children cycle	10,5
349	Variety of fictions cycle	10,5
346	Puppets	7
340	Micros	1,05
341	Continuity / RNI	1,05
345	Ballet/Opera	22,5
350	Not eligible for protection	0
510	Documentary narration / dubbing (90)	22,5
511	Documentary narration / dubbing (60)	15
512	Documentary narration / dubbing (30)	7,5
513	Documentary narration / dubbing (15)	3,75
520	Dubbing in reality show (90)	22,5
521	Dubbing in reality show (60)	15
522	Dubbing in reality show (30)	7,5
523	Dubbing in reality show (15)	3,75
530	Sporadic (90)	4,5
531	Sporadic (60)	3
532	Sporadic (30)	1,5
533	Sporadic (15)	0,75
534	Sporadic (5)	0,25

The Management Committee shall be able to revise and amend the items and scoring mentioned above in furtherance of securing the correct development of the principles set forth in the Decree 1914/06.

**b)** There shall be taken into account the amount of broadcast that the work had y each broadcaster, during the liquidation period.

**c)** The rating of each broadcast shall be taken into consideration as well, which shall be divided into the sum of the total rating of the broadcasts to be liquidated by each broadcaster, during the liquidation period.

$$\text{Weighted rating of the broadcast} = \frac{\text{RATING OF EACH BROADCAST}}{\text{RATING SUM OF ALL BROADCAST}} \times 100$$

**d)** In the Primary Distribution each work shall participate with the scoring obtained after the equation mentioned in the previous items and which are sum up as follows:

**Scoring of a work = points per item x amount of broadcast x weighted rating**

**12.2.** The calculus of the "point value" shall result from the quotient between the sum to be distributed in each period and the total of points of the works transmitted during the same period.

$$\text{Point value} = \frac{\text{AMOUNT TO BE DISTRIBUTED}}{\text{POINTS TOTAL}}$$

**12.3.** The amount of the Primary Distribution related to each work shall be the result obtained from multiplying the "point value" by the "points of the work".

## PART C – Cable operators / satellite

**SECTION 13:** The Primary Distribution of the rights collected by the transmission or re-transmission by cable or satellite shall be made among the works broadcasted by the signals forming the list of the main Cable operators / satellite of the country, as long as they pay the rights owed and as long as there is enough information, by means of a scoring system.

**SECTION 14:** To calculate the Primary Distribution, it shall be necessary to get two referential values: the "point value" and the scoring of each work.

**14.1** The scoring of the work shall be calculated as follows:

**a)** The works shall be classified into the items mentioned hereto in section 12.1 (a) and said scoring shall be granted.

**b)** The number of broadcasts of the work during the liquidating period shall be taken into account.

**c)** In turn, the works shall get scoring by virtue of the signal transmitting them. The determination of the scoring by signal shall be made in accordance with the kind of program and the use of the audiovisual repertory, following this scoring:

SIGNAL	POINTS
Films and series	10
Air	6
Documentaries / Premium signal / children	5
Varieties	2
News / Cooking / Musical / Religious / Sports /Undetermined	1

The Management Committee shall be able to revise and amend the scoring mentioned above in furtherance of securing the correct development of the principles set forth in the Decree 1914/06.

d) The average rating of each signal during the liquidation period shall be taken into account.

$$\text{Weighted Rating of the signal} = \frac{\text{AVERAGE RATING OF THE LIQUIDATED PERIOD}}{\text{SUM OF THE AVERAGE RATING OF ALL SIGNALS OF THE LIQUIDATED PERIOD}}$$

e) The multiplying of the factors mentioned shall determine the number of points with which each work shall participate in the Primary Distribution.

**Score of the work = Points per item x amount of broadcasts x points per signal x weighted rating of the signal.**

**14.2.** The calculus of the "point value" shall result from the quotient between the sum to be distributed in each period and the total of points of the works transmitted during the same period.

$$\text{Point value} = \frac{\text{AMOUNT TO BE DISTRIBUTED}}{\text{POINTS TOTAL}}$$

**14.3.** The amount of the Primary Distribution related to each work shall be the result obtained from multiplying the "point value" by the "points of the work".

## PART D – Other users

**SECTION 15:** The rights collected from users different to those mentioned in the above items, shall be distributed as follows:

- Hotels and the like, Household Appliance Stores, shall be distributed pursuant Part C, Chapter I (Cable operators).
- Transport companies, channels located outside of Buenos Aires, shall be distributed pursuant Part B of Chapter I (television).
- Web sites (streaming, make-available, etc.), shall be distributed pursuant Part A of Chapter I (movie theaters).

**SECTION 16:** In the event of new users and those mentioned in Chapter I, if there is no option for the calculus of the Primary Distribution, the Distribution Committee shall apply a subsidiary method with statistic variables or of common use, such as, the number of clicks, reproductions or subscribers, among others.

## PART E – Exceptions

**SECTION 17:** For the calculus of the Primary Distribution, when it is about a series work, upon the impossibility to individualize the broadcasts belonging to each work forming them, it will be possible to unify the broadcasts of all works into one general work. It shall be used the globalization of broadcasts as well, for some works classified in items such as children cycle, which are able to prove serial continuity.

## CHAPTER II – SECONDARY DISTRIBUTION (ARTIST AMOUNT)

**SECTION 18:** Once the Primary Distribution was finished, the value destined to each work shall be distributed among the holders of the rights that had carried out protected artistic performances<sup>IV</sup>, according to a system of points.

In the case of dubbing, 25% of the Primary Distribution shall be destined to voice performers.

**SECTION 19:** For the calculus of the Secondary Distribution (performer amount) it shall be necessary to get two referential values: the “artist value point” and the scoring of each holder.

**19.1.** To determine the individual scoring of each holder, the proportional participation of each artist in the work shall be taken into account, to that end, a complete artistic file shall be prepared. In sections 20 and 21 the kind of possible artistic files shall be detailed.

**19.2.** An artistic file is a document showing the total of the characters intervening in a work, indicating the participating level of each with a proportional score. Furthermore, it shall indicate the names of the artists performing each character, some performers might be identified in the future.

The file is considered to be completed once all the characters and their participating level in the work have been entered.

**19.3.** The calculus of the “artist value point” shall result from the quotient between the sum to be distributed of each work<sup>V</sup> (during the liquidation period and the user) and the total of points of all the characters<sup>VI</sup> intervening in the work.

$$\text{Artist Point Value} = \frac{\text{SUM OF THE WORK TO BE DISTRIBUTED}}{\text{TOTAL OF POINTS OF THE CHARACTERS INTERVENING IN THE WORK}}$$

**19.4.** The amount of the Secondary Distribution (artist amount) shall be the result of multiplying the “artist amount value” with the numbers of points “individual scoring” of the character defined in the artistic file.

<sup>IV</sup> Pursuant to section 56 of law no. 11.723 and to decree 746/1973.

<sup>V</sup> The “sum to be distributed” is the same as “Work value”.

<sup>VI</sup> The performer of the character being identified or not.



**SECTION 20:** To determine the individual value of each holder, the artistic file mentioned in section 19 shall be prepared.

The election and application of the following kind of files respond to the need of reaching the best way to liquidate as proportional as possible, subject to the particularities of the work, the file, and its broadcast.

The kind of files are the following:

**Points per sequence:** The proportional participation of the performers is determined through the audiovisual inspection which grants one point per sequence<sup>VII</sup>. This kind of file reaches all the items that it might apply, as long as they count with the total of back up material or its recording. It is usually used for works such as: series, original voices, full-length films, etc. It may reach any of the items mentioned in section 12.

**Points per cachet:** The proportional participation of the performers is determined through the remuneration given by the Argentine Actors Association. This kind of file is implemented when it is not possible to carry out an audiovisual inspection and, as long as it has the total cast. It shall reach any of the items mentioned in section 12.

**Cooperative points:** The proportional participation of the performers is determined through the criterion of points by cooperative set forth by the Argentine Actors Association, in a scale of participation from 1 to 3. Subject to the amount of participation level within the artistic file, the mentioned scale may be increased, i.e., from 1 to 5. This kind of file is usually used in works like children cycle, theater plays, dubbing works, etc. It shall reach any of the items mentioned in section 12.

**Points per episode:** The proportional participation of the performers is determined granting one point per episode of the work the performer intervenes. This kind of file is implemented when it is not possible to determine the level of individual participation in each episode forming the work, especially in programs of live sketches, children cycle, etc. It shall reach any of the items per episode mentioned in section 12.

**SECTION 21:** To determine the individual value of each holder, in those works having dubbed or original voices, in addition with sections 19 and 20:

a) The participation of the voice performers shall be validated as follows:

• **By submitting the complete file,** by the director of the dubbing / original voice<sup>VIII</sup> of the work, which shall have the effects of a sworn statement. The file shall include the individualization of each character and performer intervening

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<sup>VII</sup> Sequence= unity of time and space.

<sup>VIII</sup> Puppets are included in this section.

in the work, with their level of participation assigned by the criteria used in the activity, allowing to carry out a proportional distribution.

- **By submitting an individual or collective declaration** of the voice performer(s) and the holders of the rights as a sworn statement.
- **By the action taken by** a Working Committee defined by the Management Committee.
- **By the credits** naming the character's name or performer.

**b)** The following kind of files are inherent of the activity:

- **Points per Loops:** The proportional participation of the performers is determined according to the amount of voice entrances, according to the standard of the dubbing activity.
- **Points per mirror file:** The proportional participation of the performers is determined by the replica of the complete file of the work including the original characters with their level of participation.

**SECTION 22:** To determine the individual scoring, regarding a Global Work (section 17) the serial complete files might be unified in a sole file. In this file, all the participations of the characters shall be summed generating an only file named: Consolidated file.

**SECTION 23:** In those works in which it shall not be possible to apply any of the criteria herein mentioned in sections 19, 20, 21 and 22, be it for lack of back up, lack of information, for impossibility to identify the artists or for any other cause justifying it, the Distribution Committee shall apply a subsidiary system. This system shall be based on statistic information taking into account the particular circumstances of the case and a special reserve may be established for "Work value" in order to respond to future claims. If the prior shall not be possible, the amount shall be distributed in equal parts.

## Article 3

### CLAIMS.

**SECTION 24:** The holders of the rights or their rightful claimants may file an administrative claim if they see mistakes or omissions in the process of the liquidation of their rights.

**24.1. To start the petition, the claim must:**

- Be submitted by its holder, rightful claimant, or legal representative.
- Bear the value criteria requested to be revised, according to the current claim.
- Accompany the documentation backing up their petition or proving the request.

The content of the request shall be considered a sworn statement. Untrue data shall provide for a disciplinary sanction, in accordance with the Bylaws.

**24.2.** The steps to be taken to treat the claim shall be in charge of the Distribution Committee. To evaluate the claim, claimant shall be asked to submit all relevant information or documentation as may be deemed necessary to solve the claim.

**24.3.** In the event that the claim regards the lack of inclusion of the artist in the work, to analyze it, the claimant shall inform all the circumstances allowing their individualization, such as: character name, dressing, dialogues, description of the sequence(s) in which they intervene, etc., and shall accompany pictures or audiovisual means.

**24.4.** In the event that the claim is for broadcast of works which have not been included for the Primary Distribution, the claimant shall prove without reasonable doubt the broadcast of the work and the requirements according to the item mentioned.

**24.5.** The Distribution Committee shall be competent to solve any claim. In the event of disagreement with the solution they have reached, the claimant shall ask the Management Committee for revision.

## Article 4

### ANNEX.

Explanatory definition of the name of each item:

ID	ITEM NAME	DEFINITION
300	Theater plays	Fiction carried out in a theater.
312	Full-length film	Cinematographic fiction with a duration superior to 61 minutes.
311	Medium-length film	Cinematographic fiction with a duration between 31 and 60 minutes.
310	Short-length film	Cinematographic fiction with a duration inferior to 30 minutes.
322	Animated full-length film	Animated fiction with a duration superior to 61 minutes.
321	Original voice (+16)	Animated fiction with a duration between 16 and 30 minutes.
320	Original voice (- 15)	Animated fiction with a duration between 6 and 15 minutes.
323	Literary tale	In person reading of a tale in a performing way.
332	Series (60)/One person/Miniseries/Sketches	Fiction of 60 minutes.
331	Series (+16)/One person/Miniseries/Sketches	Fiction of 30 minutes.
330	Series (-15)/One person/Miniseries/Sketches	Usual in webseries with a duration between 6 and 5 minutes.
344	Docu-fiction (90) Full-length film	Hybrid between fiction and documentary during more than 61 minutes. One part has performance, and the other does not.
348	Educational fiction / docu-fiction (60)	Hybrid between fiction and documentary during around 60 minutes. One part has performance, and the other does not.
343	Educational fiction / docu-fiction (30)	Hybrid between fiction and documentary between 6 and 15 minutes.
351	Educational fiction / docu-fiction (15)	Hybrid between fiction and documentary between 6 and 15 minutes. One part has performance, and the other does not.
347	Stand Up	Only one comedian.
342	Children cycle	Presenter dressed up (for children). It includes performances such as puppets, sketches.
349	Variety of fictions cycle	Presenter dressed up. It includes performances such as puppets, sketches.
346	Puppets	Puppets manipulated by puppeteer performers actors (not dummies).
340	Micros	Works during less than 5 minutes.

ID	ITEM NAME	DEFINITION
341	Continuity / RNI	Long term works of which the extent protected is low. I.e. Showmatch (dancers). Unidentified item: There is no way to know the item of the work broadcasted.
345	Ballet/Opera	Ballet: classic dance performed by one or more dancers on a stage following an argument. Opera: Theatrical music in which performers sing on stage with an orchestra.
350	Not eligible for protection	It does not have performances.
510	Documentary narration / dubbing (90)	Documentaries with a narrator with original voice and dubbing.
511	Documentary narration / dubbing (60)	Documentaries with a narrator with original voice and dubbing.
512	Documentary narration / dubbing (30)	Documentaries with a narrator with original voice and dubbing.
513	Documentary narration / dubbing (15)	Documentaries with a narrator with original voice and dubbing.
520	Dubbing in reality show (90)	Duration 90. situation without script, showing real moments not intervened by fiction. The voices of dubbing are protected.
521	Dubbing in reality show (60)	Duration 60. situation without script, showing real moments not intervened by fiction. The voices of dubbing are protected.
522	Dubbing in reality show (30)	Duration 30. situation without script, showing real moments not intervened by fiction. The voices of dubbing are protected.
523	Dubbing in reality show (15)	Duration 15. situation without script, showing real moments not intervened by fiction. The voices of dubbing are protected.
530	Sporadic (90)	Isolated performance included in a work with an item not defined herein. The duration is regarding the work.
531	Sporadic (60)	Isolated performance included in a work with an item not defined herein.
532	Sporadic (30)	Isolated performance included in a work with an item not defined herein.
533	Sporadic (15)	Isolated performance included in a work with an item not defined herein.
534	Sporadic (5)	Isolated performance included in a work with an item not defined herein.

# LIQUIDATION OF RIGHTS **PROCEDURE**

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