Public Performance Malaysia (PPM) Berhad

ROYALTY DISTRIBUTION

Policies & Rules

As of 29 September 2026

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1. BACKGROUND

Public Performance Malaysia (PPM) Berhad ("PPM") is a not-for-profit Collective Management Organisation (CMO) as declared by the Intellectual Property Corporation of Malaysia (MyIPO) pursuant to the Copyright Act 1987. PPM enables music users in Malaysia to conveniently obtain a collective licence from local, regional and international recording companies to publicly perform and/or reproduce their copyright-protected sound, music video and/or karaoke recordings solely for public performance within Malaysia.

On behalf of members, PPM, as a CMO, is responsible for issuing licences to and collecting royalties from commercial users of sound, music video & karaoke recordings (collectively referred to as "Music Recordings") for the following copyright protected activities:

a) Public Performance i.e. for playing and showing;
b) Communications to the public;
c) Reproduction in any material form; and
d) Commercial rental to the public.

All such royalties collected by PPM are distributed to eligible members based on usage after deduction of operating costs.

This document is intended as a brief guide to PPM's Distribution Rules & Policies and is not exhaustive. If the rules, policies or information that you are looking for is not available in this guide, please get in touch with PPM for more information. In the event of any discrepancies between this guide and PPM's Distribution Policies & Rules, PPM Distribution Policies & Rules shall prevail. This guide may be reviewed and updated from time to time, at PPM's discretion.

2. OBJECTIVE

The objective of a royalty distribution rules and policies document is to establish a transparent and structured framework for the fair and timely distribution of royalties to the members. This document aims to outline the specific guidelines and procedures governing the allocation, calculation, and disbursement of royalty payments, ensuring fairness, and accuracy. By providing a concise & clear set of rules and policies, the document seeks to foster a smooth and efficient process for the distribution of royalties.

3. DISTRIBUTION COMMITTEE

The Distribution Committee duly appointed by the Board to administer certain aspects of the distribution of monies by PPM and to make sure the above objectives are met.

4. TYPES OF ROYALTIES FOR DISTRIBUTION

There are four (4) main types of royalties as stated below collected by PPM in a fiscal year and distributed under its mandates from the eligible members (recording companies):

1. Public Performance of Music Recordings;
2. Communication to the Public of Music Recording;
3. Reproduction of Music Recordings;
4. Commercial Rental of Sound Recordings.

5. FREQUENCY AND TIMING OF ROYALTY DISTRIBUTION

5.1 PPM's financial year period is from 1 January to 31 December.

5.2 PPM distributes royalties in July which covers the royalties collected from 1 January to 31 December of the preceding year.

6. REQUIREMENT

To ensure fair and equitable distribution of royalties, the following requirements shall be met by the members in order to be entitled for the royalties:

6.1 ELIGIBLE MEMBERS & MANDATE

6.1.1 Members must produce a written mandate to PPM on or before 31 December of the same year in order to be eligible to receive the royalty of that year. PPM can only collect on behalf of the members if the authorisation is given by signing the mandate to PPM. All authorizations given to PPM shall be limited to those rights owned or controlled by Members and shall be subject to all such other authorization and consent from third parties as may from time to time be necessary.

6.1.2 PPM's Board of Directors may impose further or other criteria as approved by the Board.

6.2 MUSIC RECORDINGS REGISTRATION IN MUSIC RECORDING DATABASE ("MRD")

6.2.1 Members must register and upload their music recordings' metadata and digital contents for all recordings which are exclusively owned by or licensed to members in MRD for royalties' entitlement based on usage. These registered metadata and fingerprint of digital contents will then be delivered to the monitoring company engaged by PPM for radio and TV music usage monitoring purposes.

6.3 ARTIFICIAL INTELLIGENCE (AI) MUSIC RECORDINGS

6.3.1 Music recordings solely generated by AI, without human creation are not eligible for copyright or related rights protection and will not be accepted for registration with PPM for royalty collection and distribution.

7. PAYMENT

7.1 MINIMUM THRESHOLD OF PAYMENT AMOUNT

There will be no minimum threshold of payment amount to members.

7.2 PAYMENT METHOD

All payments will be made via online banking transfer *except* for transactions of more than RM1,000,000 which shall be made by cheque.

7.3 PAYMENT MADE UNDER COMPANY NAME

All payments shall be made to the bank account registered under PPM.

7.4 OVERPAYMENT

Overpayment shall be deducted from members' upcoming royalty entitlement (if any).

7.5 REPAYMENT

When such overpayment cannot be recouped in full in the following year's distribution, members shall repay to PPM the un-recouped sum within 10 working days.

7.6 AUTHORISATION FORM

Original hard copy signed Authorisation Form from member is required for payment to be made by PPM.

7.7 UNCLAIMED MONIES

Unpaid monies withheld by PPM after one year will be entered into the register and lodged with the Registrar of Unclaimed Moneys as required by the law under the Unclaimed Moneys Act 1965.

8. METHOD OF CALCULATION AND DISTRIBUTION BASIS

8.1 CALCULATION

A) The total amount of **PPM royalty distribution** is calculated as below:

Total Gross Royalty Collected in a fiscal year
Less: Total Interest Earned in a fiscal year
Less: Total Operating & Admin. Costs
Less: Contribution to Music Industry Development
Less: Musical works portion from reproduction licensing (if any)
Less/Add: Adjustments (if any)

Net Distributable Royalties

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1. Operating and Admin. Cost allocation – The costs including PPM corporate tax will be deducted proportionately over each type of royalties.

2. PPM will deduct an agreed % of royalties for musical works in accordance with the annual agreement with Music Authors Copyright Protection ("MACP") for reproduction licensing.

8.2 DISTRIBUTION BASIS

All royalty distribution shall be paid in Ringgit Malaysia (MYR). Each type of royalties shall be calculated and distributed based on the following:

8.2.1 Royalty collected from Public Performance for Sound Recordings

a. For the Public Performance collection royalty distribution based on music recordings usage from radio stations (as approved by the Board in a cost-effective manner);
b. For the Public Performance collection from airlines, the royalty distribution based on music recordings usage from airlines;
c. In the absence of usage reports, the Board of Directors may decide and approve the appropriate distribution method

8.2.2 Royalty collected from Public Performance for Music Video and Karaoke Recordings

a. Royalty distribution based on music recordings usage from licensed karaoke premises;
b. In the absence of usage reports, the Board of Directors may decide and approve the appropriate distribution method

8.2.3 Royalty collected from Broadcasters for Sound Recordings

a. Royalty calculation will be based on individual licensed Radio and TV stations;
b. For collection from radio stations, royalty will be distributed based on actual music recordings usage from each licensed radio station;
c. For collection from TV stations (terrestrial and satellite), royalty will be distributed based on 50% actual music recordings usage from TV and the balance of 50% to be allocated proportionately to radio stations from the same broadcasters based on actual music recordings usage;
d. In the absence of usage reports, the Board of Directors may decide and approve the appropriate distribution method;
e. Selection of channels will be depending on the availability of usage reports, and approval given by the Board;
f. Should any non-recurring arrears receive for broadcast income, the relevant year of usage reports shall be used for distribution;
g. Licensed TV and Radio Stations consist of Government & Commercial Radio Stations as approved by the Board.

8.2.4 Royalty collected from Reproduction for Sound Recording

a. Royalty distribution based on music recordings usage from licensed sound recordings suppliers;
b. In the absence of usage reports, the Board of Directors may decide and approve the appropriate distribution method.

8.2.5 Royalty collected from Reproduction for Karaoke and Music Video Recordings

a. Royalty distribution based on music recordings Master Lists from licensed karaoke and music video recordings suppliers;
b. In the absence of usage reports, the Board of Directors may decide and approve the appropriate distribution method.

8.2.6 Royalty collected from Commercial Rental for Sound Recordings

Collections from Commercial Rental are grouped with Collection from Public Performance for Sound Recordings.

8.2.7 Royalty collected from Communication to the Public for Sound, Music Videos and Karaoke Recordings

a. Royalty distribution based on music recordings usage from licensed service providers.
b. In the absence of usage reports, the Board of Directors may decide and approve the appropriate distribution method.

9. UNLOGGED PERFORMANCE ALLOCATION ("UPA")

9.1 The objective of Unlogged Performance Allocation (UPA) is intended as payment for members' unlogged songs played publicly.

9.2 The maximum amount of UPA to be shared equally by eligible members for a Financial Year is capped at 2.5% of net distributable of the year or at maximum RM750,000 whichever is lower.

9.3 The UPA is subject to a prerequisite qualifying criteria that the eligible member must have a minimum airtime (as approved by the Board) from Radio & TV stations or earn royalty from any other categories in the same year.

10. TERMINATED MEMBERS

PPM will continue to pay terminated members until the end of the calendar year of the termination effective date.

11. SONGS IDENTIFICATION PROCESS

11.1 After compiling all the relevant music recordings usage reports, PPM will perform the identification process.

11.2 Usage reports collected in Excel format for songs with unintelligible & incoherent titles & unrecognizable fonts shall be excluded from the song identification process.

11.3 TV & Radio usage reports received from monitoring companies engaged by PPM will be used "as is" basis.

11.4 Should any songs cannot be identified based on the PPM Music Recording Database ("MRD") system during the identification process, PPM will compile and distribute the "Unidentified Song List" to the eligible members for identification. PPM will conduct a check on claimed songs by members to verify their legitimacy. Songs may be dropped if the claims are not valid. Penalty may apply for obviously wrongfully claimed songs.

11.5 In order to be in line with IFPI's MLC code of conduct & increase transparency, PPM had opened up all music recordings usage to be viewable to all eligible members.

11.6 Members are not required to provide any proof of ownership or exclusive license if there is only one member claiming for a specific song from the unidentified list, however, PPM reserves the right to request for supporting documents for verification purposes.

11.7 Only conflicting claims will have the requirement for provision of proof of ownership or exclusive licence in the form of:

a. Best Option: a copy of the recording/assignment/exclusive licence agreement granting you the relevant royalty collection rights; or
b. 2nd Option: original album front and back inlay booklet (photocopies acceptable where the originals are unavailable); or
c. 3rd Option: Label copy from members' own system.

11.8 For conflicting songs claimed for sound recordings, members shall produce sound recordings inlays as evidence. Music Video or karaoke inlays are not acceptable for sound recordings' claim.

11.9 For conflicting songs claimed for music video or karaoke recordings, members shall produce music video or karaoke inlays as evidence. Sound recording owner database or inlays are not acceptable for music video or karaoke recordings' claim.

11.10 For conflicting songs found in usage reports that are using audio fingerprinting technology (i.e. certain monitored Radio & TV stations), they shall be resolved based on detection results from audio fingerprinting technology.

11.11 If the songs are not claimed by any eligible members, such songs will be excluded from the royalty distribution.

11.12 Any late claims and submission of songs registration in MRD as stipulated by PPM will not be processed & paid by PPM.

11.13 Any unresolved conflict claims may be reviewed by the Mediation committee selected by the Board of Directors.

11.14 A penalty will be imposed on members who simply claim songs that do not belong to them or submit any wrongful or incorrect claims found by PPM (excluding less clear-cut cases where two or more members have applicable rights for different songs or re-recordings by the same artiste/band/group). Repeat offenders of wrongful or incorrect claims for two consecutive years shall be subject to an additional penalty.

11.15 A penalty will be imposed to the members if the members who apply the same MRD ID to other songs that are controlled by them due to the songs not entered / not found in MRD. This resulted in additional workload and time spent by the PPM admin to check and review member's claims.

11.16 A penalty shall be imposed to the members if the members registered their songs in MRD where they only have Distribution Rights. As a result, conflicting song issues arise and additional workload and time spent for PPM admin to check and review member's song registration.

12. SUSPENSE ACCOUNT

Any conflicting ownership claims for the sound, music video or karaoke recordings will be held in these suspense accounts until it is resolved. Conflicting parties will be given a certain timeline for self-resolutions and remaining conflicting claims may be reviewed by Mediation Committees formed by the Board of Directors.

13. ADJUSTMENTS

Adjustments will be made subject to the Board of Directors' approval if any errors occur due to members over or under report and mislabelling of exclusively owned by or licensed of sound, music video or karaoke recordings.

14. ROYALTY DISTRIBUTION WORKSHOP

The objective of the yearly workshop is to:

1. Assist PPM members to better understand policy and procedures relating to the royalty distribution;
2. Update PPM members for any new or changes in distribution policy;
3. Make available a convenient avenue for PPM members to clarify any questions they may have on distribution matters;
4. Serve as an introduction to the increasing number of new PPM members and as a refresher for existing PPM members' personnel who are involved in finance and songs claims.