

Policy on advance payments

There are two types of Buma/Stemra advance payments:

A - Standard advance payments:

- PIEB advance payment
- Cannes advance payment

A - Non-standard advance payments:

- Service Request advance payment
- General advance payment

A - Standard advance payments:

PIEB advance payment

A PIEB (work by work licence) advance payment is an allowance that can be awarded to members as compensation for the late payment of the Stemra Industry distributions for the relevant sound carrier. This is an interest-free advance payment.

The conditions for PIEB advance payment applications are:

Application for a PIEB advance payment without intermediary

- An advance payment will be granted if there is at least 90% own work on the sound carrier.
- All works must be registered with Buma/Stemra.
- The Stemra invoice must have been paid.
- A maximum of 75% of the share of the composer/author will be paid out as an advance payment.

Application for a PIEB advance payment with intermediary

- An advance payment will be granted if there is at least 90% own work on the sound carrier.
- All works must be registered with Buma/Stemra.
- The invoice sent to the intermediary must have been paid, and the payment of the intermediary to Stemra must have been received.
- A maximum of 75% of the share of the composer/author will be paid out as an advance payment.

Cannes advance payment

An application for a Cannes advance payment can be made by publishers. This advance payment can be awarded to compensate for the delayed payment of their Stemra Ned. Industry distributions. In Cannes, it was agreed with the publishers and the various copyright management organisations that the publishers are entitled to receive an interest-free advance payment.

The conditions for Cannes advance payment applications are:

- The publisher has to inform Buma/Stemra that it wants to receive a Cannes advance payment.
- A Cannes advance payment is paid out 1x per quarter.
- In the event of the payment of a new Cannes advance, any previous Cannes advance payments must have been recouped 1912029.2 (old ref.: appendix 1 to 1904121).

- The advance payment will only be calculated over the amount of the Stemra Ned. Industry distributions.
- The advance payment will have to be approved by the Customer Care Manager and the Director of Member Services.

B - Non-standard advance payments

Service Request advance payment (interest-free)

In exceptional cases, a Service Request advance payment will be awarded to members of Buma/Stemra if distributions are not paid out on time for reasons attributable to Buma/Stemra. A Service Request advance payment has to be approved by the Customer Care Manager and the Director of Member Services.

The conditions for Service Request advance payment applications are:

- Has a Service Request already been submitted and assessed?
- Did the assessment find that the distributions were later than usual and Buma/Stemra was to blame?
- The amount of the advance payment will be calculated based on the estimated amount of the distributions still outstanding as specified in the Service Request.
- The amount of the advance payment will be 90% of the amount still outstanding.
- Heirs can apply for an interest-free advance payment.
- The advance payment will have to be approved by the Customer Care Manager and the Director of Member Services.

General advance payment (interest-bearing)

In very exceptional cases, a General advance payment will be awarded to members of Buma/Stemra. This advance payment will only be awarded after it has been approved by the Customer Care Manager, the Director of Member Services, and the CEO of Buma/Stemra.

The conditions for interest-bearing advance payment applications are:

- There must at least 3 years of Buma/Stemra income.
- The amount of the advance payment will be calculated based on the average Buma income and the average Stemra income over the last three years. Both average incomes will then be added together and divided by 2.
For example: average Buma income over the past 3 years € 1000. Average Stemra income over the past 3 years € 500. The amount of the advance payment will then be $\text{€ } 1000 + 500 = \text{€ } 1500 / 2 = \text{€ } 750$
- The average income over the past 3 years, calculated in the way described above, must be at least € 500.
- The amount of the advance payment will be limited to a maximum of 1 year's average annual Buma/Stemra income.
- All previous advance payments or cessions must have been recouped.
- Heirs cannot apply for an interest-bearing advance payment.
- The reason for the advance payment has to be explained.
- The awarding of an advance payment will be made taking into account the trend in current and expected future income.
- In connection with the foregoing condition, as of 15 June 2020 an average income loss of 25% as a result of Covid-19 has been factored into the calculation. This means an extra factor of -25% will be applied for the calculation of the advance payment.

The amount of the advance payment has to be recouped from all Buma and Stemra distributions within one year after the date of signing. If the advance payment is not recouped within one year after the date of signing, the deficit amount will become immediately repayable, and you must pay this amount to Buma and Stemra on demand within four weeks, or Buma/Stemra will set off the deficit against all future Buma and Stemra distributions.