



## **Why your account may be showing a negative balance/allocation**

### **Performers**

Below are the main reasons why a performer's account may be showing a negative balance or allocation:

#### **Other performer claims**

Another performer may have made a claim against a recording you are currently linked to and have already been paid for. When PPL believes to have the complete, correct line-up for a recording, all money collected is paid out to the performers who are listed. But at a later date, another performer may claim to have performed on the recording. If the claim is accepted, PPL has to re-calculate the new correct share of the royalties between the performers. To pay the correct share of the revenue to the new claimant, money has to be debited from each of the other linked performers who have already been paid for the recording. This means that the balance on these performer's accounts may be placed in debit if there was not enough money to cover the debit amount that needs to be taken.

#### **Contribution removed from a recording**

You may have been listed on a recording incorrectly and PPL may have removed you. If you are incorrectly linked to a recording then you may have been paid revenue that you were not due. If you have been paid incorrectly PPL will debit the money you have earned on this recording from your PPL account. This could result in your account being placed in debit balance if there was not enough revenue from other recordings to cover the debit amount.

#### **Change in Category**

Your contribution category may have changed meaning that your share of the revenue on a recording has decreased. Each contributor category (e.g. Contracted featured or Non-featured) represents a different share in the money from a recording. If your category has changed then your share may have been reduced, resulting in a debit balance being applied to your account for the relevant recordings.

#### **Change in Country of Recording/Performance**

You may no longer qualify for payment on a recording that you have previously received money for. Members only qualify for PPL payment if: a recording was made in a qualifying country; if performers are citizens of a qualifying country; or if performers live in a qualifying country at the time the recording was made. Sometimes, the country of recording can be changed (if it is found to be incorrect on our database) from qualifying to non-qualifying, and therefore performers could no longer qualify. Similarly, your citizenship or residency details may have been changed or updated on your account, which may mean you are non-qualifying for certain recordings.

#### **Change in ownership**

If the ownership of recordings has been amended (normally because of a dispute between members or recordings being incorrectly registered with PPL), then the revenue will be reallocated to the correct member. This may result in the member who has lost the rights to the recordings in question receiving a debit balance on their account, as a result of revenue that has been incorrectly paid.

#### **Disputes in ownership**

In addition when a recording is in dispute (ie, more than one party is claiming to control the rights) and an adjustment is run, our distribution system will identify that the ownership details are unknown and will retrospectively recoup any money paid previously for the relevant period of the dispute. The recouped money, and any further allocations, will be held until the next adjustment after resolution of the dispute. Importantly, if the dispute is later resolved in your favour, all money for the period of dispute will be adjusted accordingly. However, in the short term this may result in an unexpected negative allocation pending resolution of the dispute.



Please note that there can be other reasons why an account may be in negative balance.

### Rights Holders

The main reasons a rights holder account may be showing a negative balance:

#### Change in ownership

If the ownership of recordings has been amended (normally because of a dispute between members or recordings being incorrectly registered with PPL), then the revenue will be re-allocated to the correct member. This may result in the member who has lost the rights to the recordings in question receiving a debit balance on their account, as a result of revenue that has been incorrectly paid.

#### Payment not matching an advance

If PPL has paid you an advance of revenue then a debit balance may remain on your account if you did not receive the expected level of revenue in the distribution.

#### Change in Qualification / Qualifying performers added to line up

As a rights holder you will receive allocations for performers who are linked to a recording if the performer is non-qualifying (typically a performer who is a US citizen on a recording that was recorded in a non-qualifying territory, such as the US). If the country of recording changes from non-qualifying to qualifying (e.g. from US to UK) then any performers who were non-qualifying will now become qualifying. This will cause an adjustment of revenue from the record company to the performer. Similarly, if an additional qualifying performer is added to the line-up of a non-qualifying recording then there will also be an adjustment away from the record company to pay the performer.

#### Disputes in ownership

In addition when a recording is in dispute (ie, more than one party is claiming to control the rights) and an adjustment is run, our distribution system will identify that the ownership details are unknown and will retrospectively recoup any money paid previously for the relevant period of the dispute. The recouped money, and any further allocations, will be held until the next adjustment after resolution of the dispute. Importantly, if the dispute is later resolved in your favour, all money for the period of dispute will be adjusted accordingly. However, in the short term this may result in an unexpected negative allocation pending resolution of the dispute.

Again, there are other reasons why a rights holder's account may be in negative balance.