

How to File the Quarterly Statement of Account and Royalty Fee

Manufacturing or importing parties must file a separate quarterly statement of account for quarters 1, 2, and 3, corresponding to the calendar or fiscal year elected.

FIRST: Study the information and read through the instructions in the statement of account form. Before you start completing the form, make sure that you have collected all the necessary information and that you are using the right form.

SECOND: Complete the statement of account form, giving all the required information. Use a typewriter, a legible printer, or hand print the information in dark ink.

THIRD: Certify the statement of account by signing in Space H. The statement of account is not acceptable unless it bears the original handwritten signature of an authorized officer, principal, or agent as authorized to certify it pursuant to the Audio Home Recording Act of 1992 (Chapter 10, Section 1003(c)(2) of title 17 *USC*).

FOURTH: Royalty fees are required to be paid by an electronic payment, pursuant to Section 201.28 (h)(1) of Title 37 of the *Code of Federal Regulations* (see page i of the general instructions). Make an electronic payment in the amount of the royalty fee due as calculated in Space C. For detailed instructions concerning electronic payments, contact the Licensing Division between 8:30 AM and 5:00 PM eastern time by calling (202) 707-8150, faxing (202) 707-0905, or emailing licensing@loc.gov for circulars 74A (on payments via wire), 74B, (on payments via ACH credit), and 74c (on payments using *pay.gov*), which are also available at www.copyright.gov/circs/circ74.

FIFTH: Send the completed statement of account to:

*Copyright Office GC/I&R
DART Statement of Account
PO Box 70400
Washington, DC 20024-0400*

SIXTH: Retain a copy of the entire statement, as filed, in case it is needed for future reference.

If you need Copyright Office regulations, forms, or additional information, you may contact a Licensing Specialist at the contact information above, or visiting www.copyright.gov.



UNITED STATES COPYRIGHT OFFICE

Quarterly Statement of Account for Digital Audio Recording Products

FORM DART/Q

Return to:

Copyright Office GC/I&R
DART Statement of Account
PO Box 70400
Washington, DC 20024-0400

FILING DEADLINE: The statement of account must be filed within 45 days after the close of the quarter covered by the statement.

General instructions appear at the end of this form (pages i–iii).

CONFIDENTIAL

FOR COPYRIGHT OFFICE USE ONLY

Date received: _____

Amount: _____

Remittance number: _____

A ACCOUNTING PERIOD COVERED BY THIS QUARTERLY STATEMENT OF ACCOUNT

1 Check the applicable box. If your accounting period is the *calendar year*, enter the year; if it is a *fiscal year*, enter the 12-month period and years.

Calendar year: January 1 through December 31, 20 _____

Fiscal year: beginning _____, 20 _____ and ending _____, 20 _____

2 Check the applicable box, and enter the 3-month period and year(s) of the quarter for which this filing applies.

Quarter 1 Quarter 2 Quarter 3

Beginning _____, 20 _____ and ending _____, 20 _____

B NAME, ADDRESS, AND FILING STATUS

Give the full legal name of the “manufacturing or importing party” and any other name used for the purpose of conducting the business of manufacturing and distributing or importing and distributing digital audio recording products.

1 Legal name _____

2 Mailing address _____


Give other business name(s), if different from Line 1.

3 Business name _____

4 Check the applicable box to identify your filing status.

Manufacturer Importer Manufacturer and importer

C COMPUTATION OF ROYALTY FEE

	1 Product categories	2 Technologies	3 Series or model #	4 Fee code	5 Source code	6 Transfer price	7 No. of units distributed
EXAMPLE	Portable personal recorders	DCC	001	B	M	\$275.00	25,000
 <p>Do not include the royalty fee from this example in your computations.</p>							

NOTE: If you need more space, please photocopy Space C and attach the additional page(s) to the statement of account.

COMPUTATION OF ROYALTY FEE: The formula to compute the royalty fee involves 14 components combined on pages 2–3. There are two different formulas for computing the royalty fee: (1) a formula for audio recording devices that are identified by the letters A, B, C, or D in column 4; and (2) a formula for audio recording media that are identified by the letter E in column 4. For further explanation of the information required for each column, see pages i–ii of the general instructions.

COMPUTING THE ROYALTY FEE FOR DIGITAL AUDIO RECORDING DEVICES: On a line-by-line basis, enter the information in columns 1–8, 10, and 12 and compute the royalty fee:

- Step 1: Multiply column 7 by column 8 and enter the result in column 9.
- Step 2: Multiply column 7 by column 12 and enter the result in column 13.
- Step 3: Multiply column 6 first by column 7, then by column 10, and enter the result in column 11.
- Step 4: Select the appropriate royalty fee either from column 9, 11, or 13 as explained in the general instructions, page ii, and enter that figure in column 14.

COMPUTING THE ROYALTY FEE FOR DIGITAL AUDIO RECORDING MEDIUM: On a line-by-line basis, enter the information in columns 1–7 and 10 and compute the royalty fee:

- Step 1: Multiply column 6 first by column 7, then by column 10.
- Step 2: Enter the result of Step 1 in column 14.

COMPUTING THE TOTAL ROYALTY FEE: Complete Lines 1–7 on page 3.

ROUNDING OFF DOLLARS: You may *not* round off cents to whole dollars when calculating the royalty fee on a line-by-line basis in Space C. However, you may round cents to whole dollars for the total fee due on Line 7, Space C.

8 Minimum fee per unit	9 Minimum fee	10 Rate	11 Rate fee	12 Maximum fee per unit	13 Maximum fee	14 Royalty fee
\$1.00	\$25,000.00	.02	\$137,500.00	\$8.00	\$200,000.00	\$137,500.00

Line 1: Total Column 14 and enter the figure here \$ _____

Line 2: Reduction: Enter the amount from Space D, page 3 \$ _____

Line 3: Credits: Enter the amount from Space E, page 4 \$ _____

Line 4: Add Lines 2 and 3 and enter total here \$ _____

Line 5: Subtract Line 4 from Line 1 and enter the amount here \$ _____

Line 6: Interest charge: Enter the amount from Line 6, Space F, page 4 \$ _____

Line 7: Add Lines 5 and 6 and enter total here. **THIS IS YOUR TOTAL ROYALTY FEE DUE** \$ _____

Remit this amount in the form of an *electronic payment* payable to *Register of Copyrights*.
NOTE: *Royalty fees are required to be paid by electronic payment. See page i of the instructions for details.*

D REDUCTION OF ROYALTY FEE

Section 1004 (a)(2)(A) of the Audio Home Recording Act of 1992 provides for a royalty payment to be reduced in one specific case. This section reads: "If the digital audio recording device and such other devices are part of a physically integrated unit, the royalty payment shall be based on the transfer price of the unit, but shall be reduced by any royalty payment made on any digital audio recording device included within the unit that was not first distributed in combination with the unit."

Is this provision applicable to any "Fee Code A" item listed in Column 4, Space C?
 No Yes. Enter the total here and on Line 2, Space C, page 3. \$ _____

E CREDITS FOR RETURNED PRODUCTS

If a royalty payment has already been made by the manufacturer or importer for digital audio recording devices and media that are returned as unsold or defective, or exported, the manufacturing or importing party may take a credit during the period when the products are returned. You may deduct the amount of the royalty payment within two years following the date royalties were paid.

During this quarterly period, do you claim a credit for products returned as unsold or defective, or exported, and were they returned or exported within two years following the date royalties were paid on them?

No Yes. Enter the total amount here and Line 3, Space C, page 3..... \$ _____

F WORKSHEET FOR COMPUTING INTEREST

You must complete this worksheet for those royalty payments submitted as a result of a late payment or underpayment.

Line 1. Enter the amount of late payment or underpayment \$ _____

Line 2. Enter interest rate* × _____ %

Line 3. Multiply Line 1 by Line 2 and enter here \$ _____

Line 4. Enter number of days late × _____ days

Line 5. Multiply Line 3 by Line 4 and enter the result here \$ _____

Line 6. Multiply Line 5 by .00274** and enter here and on Line 6 in Space C (interest charge) \$ _____

*Contact the Licensing Division at (202) 707-8150 or by email at licensing@loc.gov for the interest rate for the accounting period in which the late payment or underpayment occurred.

**This is the decimal equivalent of 1/365, which is the interest assessment for one day late.

G INDIVIDUAL TO BE CONTACTED IF FURTHER INFORMATION IS NEEDED

(Identify an individual to whom we can write or call about this statement of account.)

Name _____ Phone _____ Fax _____

Title of individual _____ Email (optional) _____

Address _____

H CERTIFICATION

This statement of account must be certified as accurate, and must be signed in accordance with the Audio Home Recording Act of 1992, Pub. L. 102-563, 106 Stat. 4237 and Chapter 10, Section 1003(c)(2) of title 17 USC.

I, the undersigned, hereby certify that I am an authorized officer, principal, or agent of the manufacturing or importing party identified in Space B. I have examined the statement of account and hereby declare under penalty of law that all statements of fact contained herein are true, complete, and correct to the best of my knowledge, information, and belief, and are made in good faith. [18 USC §1001]

HANDWRITTEN SIGNATURE _____

TYPED OR PRINTED NAME _____

DATE _____



Quarterly Statement of Account — DART/Q

General Instructions

The Audio Home Recording Act of 1992 (Pub. L. No. 102-563) went into effect October 28, 1992.

Chapter 10 of title 17, *United States Code*, creates new statutory obligations for parties who import and distribute in the United States or manufacture and distribute in the U.S. any digital audio recording device or digital audio recording medium. This law was enacted after interested parties came to an agreement about associated rights and compensation in an age in which near-perfect copying of protected audio works by consumers is possible.

How to File the Statement of Account and Royalty Fee

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Fourth: Royalty fees are required to be paid by an electronic payment, pursuant to Section 201.28 (h)(1) of Title 37 of the *Code of Federal Regulations*. Make an electronic payment in the amount of the royalty fee due as calculated in Space C. See the Federal Register, August 10, 2006 (71 FR 45739) at www.copyright.gov/fedreg/2006/71fr45739.html. For detailed instructions concerning electronic payments, contact the Licensing Division between 8:30 AM and 5:00 PM eastern time by calling (202) 707-8150, faxing (202) 707-0905, or emailing licensing@loc.gov for circulars 74A (on payments via wire), 74B (on payments via ACH credit), and 74C (on payments using *pay.gov*), which are also available at www.copyright.gov/circs/circ74.

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Definitions

- “Digital audio recording product” means digital audio recording devices and digital audio recording media.
- “Digital audio recording device” is any machine or device of a type commonly distributed to individuals for use by individuals, whether or not included with or as part of some other machine or device, the digital recording function of which is designed or marketed for the primary purpose of, and that is capable of, making a digital audio copied recording for private use, except for (A) professional model products, and (B) dictation machines, answering machines, and other audio recording equipment that is designed and marketed primarily for the creation of sound recordings resulting from the fixation of nonmusical sounds.

- “Digital audio recording medium” is any material object in a form commonly distributed for use by individuals, that is primarily marketed or most commonly used by consumers for the purpose of making digital audio copied recordings by use of a digital audio recording device.
- “Product category” of a device or medium is a general class of products made up of functionally-equivalent digital audio recording products with substantially the same use in substantially the same environment, including, for example, hand-held portable integrated combination units (“boomboxes”), portable personal recorders, stand-alone home recorders (“tape decks”), home combination systems (“rack systems”), automobile recorders, configurations of tape media (standard cassettes or microcassettes), and configurations of disc media, such as 2½”, 3”, or 5” discs.
- “Technology” of a device or medium is a digital audio recording product-type distinguished by different technical processes for digitally recording musical sounds, such as digital audio tape recorders (DAT), digital compact cassettes (DCC), or recordable compact discs, including minidisks (MD).
- “Manufacture” means to produce or assemble a product in the United States. A “manufacturer” is a person who manufactures.
- “Manufacturing or importing party” refers to any person or entity that manufactures and distributes, and/or imports and distributes, any digital audio recording device or digital audio recording medium in the United States, and is required under 17 *USC* section 1003 to file with the Copyright Office quarterly and annual statements of account.
- “Annual statement of account” is the statement required under 17 *USC* section 1003, to be filed no later than two months after the close of the accounting period covered by the annual statement.
- “Quarterly statement of account” is the statement accompanying royalty payments required under 17 *USC* section 1003, to be filed for each of the first three quarters of the accounting year, and no later than 45 days after the close of the quarterly period covered by the statement.

Space A • Accounting Period

Statements of account may be filed on either a calendar year or fiscal year basis at the election of the manufacturer or importer. Enter the calendar or fiscal year designation, including the beginning and ending month, day, and year of the period covered by the quarter.

Space B • Name, Address, and Filing Status

The full legal name of the manufacturing or importing party will be included, together with the fictitious or assumed name, if any, used by the person or entity for the purpose of conducting the business of manufacturing and distributing or importing and distributing digital audio recording products.

In addition, Space B requires the full mailing address of the manufacturing or importing party, including a specific number and street name or rural route of the place of business of this person or entity. A post office box or similar designation will not be sufficient for this purpose except where it is the only address that can be used in that geographic location. Space B also requires a designation of the manufacturing or importing party’s status, such as *manufacturer*, *importer*, or *manufacturer and importer*.

Space C • Computation of Royalty Fee

Column 1: Product Categories • Enter the product category of the digital audio recording products manufactured and distributed *or* imported and distributed by the manufacturing or importing party during the quarter covered by the statement. Product categories include hand-held portable integrated combination units (“boomboxes”), portable personal

recorders, stand-alone home recorders (“tape decks”), home combination systems (“rack systems”), automobile recorders, configurations of tape media (standard cassettes or microcassettes), and configurations of disc media, such as 2½”, 3”, and 5” discs.

Column 2: Technologies • Enter the technology of the digital audio recording products manufactured and distributed *or* imported and distributed by the manufacturing or importing party during the quarter covered by the statement. The technology of a device or medium is a product type distinguished by different technical processes for digitally recording musical sounds, such as digital audio recorders (DAT), digital compact cassettes (DCC), or different disc-based technologies such as minidisc (MD).

Column 3: Series or Model # • Enter the model (or, in the case of media, series) numbers assigned by the manufacturer to the digital audio recording products manufactured and distributed *or* imported and distributed by the manufacturing or importing party during the quarter covered by the statement.

Column 4: Fee Code • Enter the fee code that is associated with the product. Fee Code A applies to a digital audio recording device distributed as a physically integrated unit.

Fee Code B applies to a device that is *not* a physically integrated unit where substantially similar separate components have been distributed separately at any time during the previous 4 quarters using the average transfer price.

Fee Code C applies to a device that is *not* a physically integrated unit where such separate components have *not* been distributed separately at any time during the preceding 4 quarters using the proportional value of such devices to the combination as a whole.

Fee Code D applies to a stand-alone digital audio recording device.

Fee Code E applies to a digital audio recording medium.

IMPORTANT: When computing the royalty fee for the recording medium, do not complete columns 8, 9, 12, and 13.

Column 5: Source Code • Enter the Source Code for the product category. Enter an “M” if the product was manufactured in the United States. Enter an “I” if the product was imported into the United States.

Column 6: Transfer Price • Enter the transfer price of the product. The transfer price in the case of imported products, is the actual entered value at United States Customs (exclusive of any freight, insurance, and applicable duty). In the case of a domestic product, the transfer price of a product is the manufacturer’s transfer price (FOB the manufacturer, and exclusive of any direct sales taxes or excise taxes incurred in connection with the sale). If the transferor and transferee are related entities or within a single entity, the transfer price shall not be less than a reasonable arms-length price under the principles of the regulations adopted pursuant to section 482 of the Internal Revenue Code of 1986.

Column 7: Number of Units Distributed • Enter the number of units distributed. “Distribute” means to sell, lease, or assign a product to consumers in the United States, or to sell, lease, or assign a product in the United States for ultimate transfer to consumers in the United States.

Column 8: Minimum Fee Per Unit • Enter the statutory Minimum Fee of \$1.00 for all digital recording devices.

Column 9: Minimum Fee • Multiply the Number of Units Distributed (column 7) by the Minimum Fee Per Unit (column 8) and enter the result in column 9 for the Minimum Fee.

Column 10: Rate • Enter the statutory royalty rate of 2 percent for digital audio recording devices *or* 3 percent for digital audio recording media.

Column 11: Rate Fee • Multiply the Transfer price (column 6) by the Number of Units Distributed (column 7) and then multiply the result by the Rate (column 10) and enter that figure in column 11 for the Rate Fee.

Column 12: Maximum Fee Per Unit • Enter the statutory Maximum Fee Per Unit of \$8.00 for non-physically integrated units and \$12.00 for physically integrated units.

Column 13: Maximum Fee • Multiply the Number of Units Distributed (column 7) by the Maximum Fee Per Unit (column 12) and enter the result in column 13 for the Maximum Fee.

Column 14: Royalty Fee • The manufacturing or importing party *must* pay either the Rate Fee, the Minimum Fee, *or* the Maximum Fee. To determine the appropriate Royalty Fee for digital audio recording devices:

- Enter the Rate Fee (column 11) if it is greater than the Minimum Fee (column 9) and less than the Maximum Fee (column 13). — *or* —
- Enter the Minimum Fee (column 9) if the Rate Fee (column 11) is less than or equal to the Minimum Fee (column 9). — *or* —
- Enter the Maximum Fee (column 13) if the Rate Fee (column 11) is greater than or equal to the Maximum Fee (column 13).

Space D • Reduction of Royalty Payment

This space applies to a reduction of the royalty payment for digital audio recording devices in physically integrated units that were not first distributed in combination with a unit, and upon which royalty fees have been previously paid pursuant to section 1004 (a)(2)(A) of Public Law 102-563. You may give the total amount for the quarter.

Space E • Credits for Returned Products

When digital audio recording products are returned to the manufacturer or importer as unsold or defective merchandise, or are exported, the manufacturing or importing party may take a credit during the period when the products are returned or exported. The credit may be taken within two years following the date royalties were paid to the Copyright Office for the products by deducting the amount from the royalty fee due. The total amount of the credits for the entire accounting period must be given in Space E. If the manufacturer or importer later distributes any returned or exported merchandise for which a credit has been taken, the products must be listed in Space C and a new computation of the royalty fee will be made based on the transfer price of the products at the time of the new distribution.

Space F • Interest Worksheet

Interest will be imposed on underpayments and late payments of royalties due. Manufacturing or importing parties must calculate their own interest charge on the worksheet. Manufacturers or importers submitting royalty payments in an untimely fashion should include the proper interest charge with their payments. The interest rate is the rate quoted as the Current Value of Funds to Treasury, as published in the *Federal Register*, in effect on the first business day after the close of the filing deadline for the relevant accounting period.

The interest rate for a particular accounting period may be obtained by consulting the *Federal Register* or the Licensing Division of the Copyright Office for the applicable Current Value of Funds Rate.

For underpayments and late payments, the interest shall begin to accrue on the first day after the close of the filing date for that accounting period. For a late payment, the accrual period ends on the date that the statement of account and proper form of payment are received in the Copyright Office. For underpayments, the accrual period ends on the date appearing on the electronic payment, provided that the remittance is received in the Copyright Office within 5 business days of that date. Interest is not required to be paid on any royalty underpayment or late payment from a particular accounting period if the interest charge is less than or equal to \$5.00.

Space G • Contact

Clearly identify an individual to whom the Copyright Office can write or call about the quarterly statement of account.

Space H · Certification

Each quarterly statement of account must include the original handwritten signature of an authorized officer, principal, or agent of the “manufacturing or importing party” identified in Space B. The statement of account must be signed as accurate and in accordance with the Audio Home Recording Act of 1992, Pub. L. 102-563, 106 Stat. 4237 and Chapter 10, Section 1003(c)(2) of title 17 *USC*. The signature must be accompanied by the printed or type-written name of the person signing the quarterly statement of account. It must also note the date the document is signed. The signature provides the certification as noted in Space H.

Filing Dates

Quarterly statements of account shall be filed at intervals of 3 months for the first 3 quarters of the calendar year or fiscal year cycle. Quarterly statements of account are due no later than 45 days after the close of the period covered by the statement. The information relating to the fourth quarter, as well as the accumulation for the year, shall be contained in the annual statement of account. Annual statements are due on or before 2 months after the close of the calendar or fiscal year covered by the statement.

Corrections and Refunds

Errors in the computation of the royalty payments that result in underpayment of royalties can be corrected and supplemental payments made upon compliance with Copyright Office procedures. Contact the Licensing Division for specific instructions.

Refund requests must be received within two months after the close of a filing period. Contact the Licensing Division for filing procedures and fees.

NOTE: The annual statement of account (Form DART/A) incorporates your entire accounting year’s distribution of devices and media. The annual statement permits you to reconcile your year’s accounting of activities to what was actually distributed and/or adjusted based on your company’s accounting records. However, delayed payment of royalties does not affect the copyright owner’s right to any remedy that is available under the law.

Confidentiality of Statements of Account

Public access to the Copyright Office files of statements of account for digital audio recording products shall not be provided. Access will only be granted to interested copyright parties in accordance with regulations prescribed by the Register of Copyrights pursuant to section 1003(c) of title 17 *USC*, as amended by Pub. L. 102-563.

