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Copyright Office  
Licensing Division  
Washington, DC 20557-6400

**Official Business**

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**OFFICIAL BUSINESS  
UNITED STATES COPYRIGHT OFFICE  
ANNUAL STATEMENT OF ACCOUNT (FORM DART/A)**

## **How to File the Annual Statement of Account and Royalty Fee**

The annual statement of account covers the entire accounting year, including the fourth quarter distribution, and provides for the reconciliation of the aggregated accounting of digital audio recording devices and media for the reported accounting year. (The reconciliation also provides for credits, underpayments, reductions, refunds, and royalties paid for quarters 1–3.)

**FIRST:** Make sure that you are using the right form and read the instructions in the form. Collect all the necessary information.

**SECOND:** Access fill-in statement of account form at <http://www.copyright.gov/forms/formdart-a.pdf> on a personal computer and print it out or hand print the information in dark ink. Give all the required information.

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

**FOURTH:** Complete the report of the primary auditor in space I (see page iii of the instructions for more information).

**FIFTH:** Royalty fees must be paid by an electronic payment, pursuant to Section 201.28 (h)(1) of Title 37, *CFR*. Make an electronic payment in the amount of the royalty fee due as calculated in space C.

For detailed instructions, see circulars 74A (on payments by wire), 74B (on payments by Automated Clearing House credit), or 74C (on payments using *pay.gov*), available at [www.copyright.gov/circs/circ74](http://www.copyright.gov/circs/circ74).

**SIXTH:** Send the completed statement of account to:

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

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

For Copyright Office regulations, forms, or additional information, visit [www.copyright.gov](http://www.copyright.gov) or contact the Licensing Division between 8:30 AM and 5:00 PM eastern: (202) 707-8150 (phone); (202) 707-0905 (fax); or [licensing@loc.gov](mailto:licensing@loc.gov) (email).



# Annual Statement of Account for Digital Audio Recording Products

**FILING DEADLINE:** The statement of account must be filed within two months after the close of the fourth quarter covered by the statement.

Instructions are at the end of this form (pages i–iii).

**FORM DART/A**

Return to:

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

**CONFIDENTIAL**

**FOR COPYRIGHT OFFICE USE ONLY**

Date received: \_\_\_\_\_ Amount: \_\_\_\_\_

Remittance number: \_\_\_\_\_

## A ACCOUNTING PERIOD COVERED BY THIS ANNUAL 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.  Check here if this is the manufacturer's/importer's first filing. If not, enter the ID number assigned by the Licensing Division \_\_\_\_\_
- Calendar year: January 1 through December 31, 20 \_\_\_\_\_
- Fiscal year: beginning \_\_\_\_\_, 20 \_\_\_\_\_ and ending \_\_\_\_\_, 20 \_\_\_\_\_
- 2 Enter the three-month period and year(s) for the fourth quarter of this filing.
- Quarter 4 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

**Privacy Act Notice:** Chapter 10 of title 17, *United States Code*, authorizes the Copyright Office to collect the personally identifying information (PII) requested on this form in order to process your statement of account. PII is any personal information that can be used to identify or contact an individual, such as names, addresses, and telephone numbers. The Copyright Office collects this PII in order to identify the entities making the royalty fee payments. By providing your PII, you are agreeing to this routine use of it. The effects of not providing the PII requested are that it may delay processing of your statement of account, and it may affect the legal sufficiency of the filing, a determination that would be made by a court of law.

# C COMPUTATION OF ROYALTY FEE

	1 Product categories	2 Technologies	3 Series or model no.	4 Fee code	5 Source code	6 Transfer price	7 No. of units distributed
<b>EXAMPLE</b>	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, photocopy space C and attach the additional page(s) to the statement of account.

**IN GENERAL:** The information you list in space C incorporates your distribution of devices and media during the entire accounting year. Columns 1–7 and lines 1–8 permit you to reconcile your accounting of activities for the year to what was actually distributed or adjusted based on your company’s accounting records. See page ii of the instructions for more information about completing this space.

**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 ii–iii of the 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 from column 9, 11, or 13 as explained in the instructions, page ii, and enter that figure in column 14.

**COMPUTING THE ROYALTY FEE FOR DIGITAL AUDIO RECORDING MEDIA:** 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 1–8 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 8, 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 4 ..... \$ \_\_\_\_\_

Line 3: Credits: Enter the amount from space E, page 4 ..... \$ \_\_\_\_\_

Line 4: Royalties: Enter the total amount of royalties paid for quarters 1 through 3 ..... \$ \_\_\_\_\_

**IMPORTANT:** You must subtract from the royalties amount (line 4) the total amount of any refund(s) you received from the Copyright Office for quarters 1 through 3. Also do not include any interest charges paid to the Copyright Office for quarters 1 through 3.

Line 5: Add lines 2 through 4 and enter here ..... \$ \_\_\_\_\_

Line 6: **ADJUSTED ANNUAL ROYALTY FEE**  
 a) If line 5 is less than line 1, subtract line 5 from line 1 ..... \$ \_\_\_\_\_  
 (This is your adjusted annual royalty fee)  
 b) If line 5 is more than line 1, subtract line 1 from line 5 ..... \$ \_\_\_\_\_  
 (This is the amount of your refund) REFUND

Line 7: Interest charge: Enter the amount from line 6, space F, page 4 ..... \$ \_\_\_\_\_

Line 8: Add lines 6(a) and 7 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 during the annual accounting period?

- 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 annual accounting period, do you claim a credit for products returned as unsold or defective, or exported, and were they returned or exported within two years of the date royalties were paid on them?

- No
- Yes. Enter the total amount here and in line 3, space C, page 3. .... \$ \_\_\_\_\_

## F WORKSHEET FOR COMPUTING INTEREST

You must complete this worksheet for 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\* ..... x \_\_\_\_\_ %

Line 3: Multiply line 1 by line 2 and enter here. .... \$ \_\_\_\_\_

Line 4: Enter number of days late ..... x \_\_\_\_\_ 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 7 in space C (interest charge) ..... \$ \_\_\_\_\_

\* To view the interest rate chart click on [www.copyright.gov/licensing/interest-rate.pdf](http://www.copyright.gov/licensing/interest-rate.pdf). For further assistance, contact the Licensing Division at (202) 707-8150 or [licensing@loc.gov](mailto:licensing@loc.gov).

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

## G INDIVIDUAL TO BE CONTACTED FOR MORE INFORMATION

(Identify an individual we can contact 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.

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

## I OPINION OF THE PRIMARY AUDITOR

This annual statement of account or any amendment to the statement must be audited by the primary auditor. The report of the auditor may be completed in space I starting on page 6, or attached to this annual statement of account. Detailed information about preparing the primary auditor's report has been reprinted from the Copyright Office's regulations on page iii of the instructions.

**Privacy Act Notice:** Chapter 10 of title 17, *United States Code*, authorizes the Copyright Office to collect the personally identifying information (PII) requested on this form in order to process your statement of account. PII is any personal information that can be used to identify or contact an individual, such as names, addresses, and telephone numbers. The Copyright Office collects this PII in order to identify the entities making the royalty fee payments. By providing your PII, you are agreeing to this routine use of it. The effects of not providing the PII requested are that it may delay processing of your statement of account, and it may affect the legal sufficiency of the filing, a determination that would be made by a court of law.

**Space I · Opinion of the Primary Auditor**

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**Space I, continued · Opinion of the Primary Auditor**

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# Annual Statement of Account — DART/A Instructions

The Audio Home Recording Act of 1992 (Pub. L. No. 102-563) went into effect October 28, 1992. Chapter 10 of title 17, *USC*, creates new statutory obligations for parties who import and distribute in the United States or manufacture and distribute in the United States 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.

## Steps

**FIRST:** Make sure that you are using the right form and read the instructions in the form. Collect all the necessary information.

**SECOND:** Access fill-in statement of account form at <http://www.copyright.gov/forms/formdart-a.pdf> on a personal computer and print it out or hand print the information in dark ink. Give all the required information.

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

**FOURTH:** Complete the report of the primary auditor in space I (see page iii of the instructions for more information).

**FIFTH:** Royalty fees must be paid by an electronic payment, pursuant to Section 201.28 (h)(1) of Title 37, *CFR*. Make an electronic payment in the amount of the royalty fee due as calculated in space C.

For detailed instructions, see circulars 74a (on payments by wire), 74b (on payments by Automated Clearing House credit), or 74c (on payments using *pay.gov*), available at [www.copyright.gov/circs/circ74](http://www.copyright.gov/circs/circ74).

**SIXTH:** Send the completed statement of account to:

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

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

For Copyright Office regulations, forms, or additional information, visit [www.copyright.gov](http://www.copyright.gov) or contact the Licensing Division between 8:30 AM and 5:00 PM eastern: (202) 707-8150 (phone); (202) 707-0905 (fax); or [licensing@loc.gov](mailto:licensing@loc.gov) (email).

## 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 micro-cassettes), 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 mini-discs (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, 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.
- “Primary auditor” is the certified public accountant retained by the manufacturing or importing party to audit the amounts reported in the annual statement of account submitted to the Copyright Office. The primary auditor may be the certified public accountant engaged by the manufacturing or importing party to perform the annual audit of the party’s financial statement.
- “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.

## Filing Information

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. The annual statement of account covers the entire accounting year, including the fourth quarter distribution, and provides for the reconciliation of the aggregated accounting of digital audio recording devices and media for the reported accounting year. (The reconciliation also provides for credits, underpayments, reductions, refunds, and royalties paid for quarters 1–3).

*Example:* In quarters 1, 2, and 3 the royalty fee was calculated for 25,000 units distributed for each quarter, at the transfer price of \$275 (see the example in space C, pages 2–3). There was the same distribution of 25,000 units for the fourth quarter. The annual statement of account would show 100,000 units at the transfer price of \$275, and a royalty fee of \$550,000. You would reconcile your royalty fee due in space C, lines 1–8 of the annual statement. In this example, you would deduct the royalty payment of \$412,500 made for quarters 1–3, and submit \$137,500 with the annual statement.

## Space A • Accounting Period

The annual accounting period is either on a calendar-year or fiscal-year basis, which was elected in the first quarter by the manufacturer or importer. The annual statement of account covers the entire accounting year (including the fourth quarter distribution of devices and media), corresponding

to the calendar or fiscal year selected. Enter the calendar- or fiscal-year designation, including the beginning and ending month, day, and year(s) of the fourth 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

**IMPORTANT:** In space C, the total number of units distributed should be aggregated for the entire year for each *transfer price*, *source code*, *fee code*, *series or model number*, *technology*, and *product category* that is different.

*Example:* In the quarterly statement of account for the first quarter, you reported in space C, 25,000 units distributed (column 7) at the transfer price of \$275 (column 6); the product categories (column 1) was *Portable Personal Recorders*, technologies (column 2) *DCC*, series or model number (column 3) *001*, fee code (column 4) *B*, source code (column 5) *M*. In the second, third, and fourth quarters everything was the same, *except* the transfer price changed to \$250. For the annual statement of account in space C, column 6, you would enter "\$275"; in column 7 you would enter "25,000"; on the next line in column 6, you would enter "\$250"; and in column 7, you would enter "75,000." The information in columns 1–5 would be the same for both lines.

**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 accounting year 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 accounting year 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 Number** · 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 accounting year 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 four 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 four 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, or 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 for imported products is the actual entered value at United States Customs (exclusive of any freight, insurance, and applicable duty). For domestic products, 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).

**Line 1** · Total column 14 and enter the amount in line 1. This figure is the computation of the year's total royalty fee for devices and media. *It will be adjusted.*

**Line 2** · Provides for a "reduction" adjustment of your year's royalty fee as calculated in space D.

**Line 3** · Provides for a "credit" adjustment in space E to your year's royalty fee.

**Line 4** · You may subtract the royalty fee that you paid to the Copyright Office for quarters 1, 2, and 3. **NOTE:** This figure does not include refunds received or interest charges paid during these quarters. You must subtract the total amount of any refunds you received from the Copyright Office for quarters 1 through 3. Also, you cannot include any interest charges paid to the Copyright Office for quarters 1 through 3.

**Line 5** · This is the total amount that may be subtracted from your year's total royalty fee as calculated in column 14 of space C.

**Line 6** · The adjusted royalty fee will result in either a royalty payment due for the year or a refund to be issued by the Licensing Division.

**Line 7** · The interest charge covers a late payment or underpayment as calculated in space F for the annual statement of account. Do not include any interest charges paid for the previous quarters.

**Line 8** · This is the total royalty fee due.

### 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 must give the total amount applicable for the entire accounting year.

### 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 of 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 five 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 annual statement of account.

### Space H · Certification

Each annual statement of account must include the 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 typewritten name of the person signing the annual statement of account.

It must also note the date the document is signed. The signature provides the certification as noted in space H.

### Space I · Opinion of the Primary Auditor

This section applies to preparing the primary auditor's report. The regulations are printed below to provide you with the requirements for the audit.

Copyright Office Regulation 201.28(F)(3) reads:

**Accountant's opinion.** *Each annual statement of account or any amended annual statement of account shall be audited by the primary auditor as defined in paragraph (b)(7) of this section. An amendment may be submitted to the Office either as a result of responses to questions raised by a Licensing Division examiner or on the initiative of the manufacturing or importing party to correct an error in the original statement of account.*

(i) *The audit shall be performed in accordance with generally accepted auditing standards (GAAS). The audit may be performed in conjunction with an annual audit of the manufacturing or importing party's financial statements.*

(ii) *The CPA shall issue a report, the "primary auditor's report," reflecting his or her opinion as to whether the annual statement presents fairly, in all material respects, the number of digital audio recording devices and media that were imported and distributed, or manufactured and distributed, by the manufacturing or importing party during the relevant year, and the amount of royalty payments applicable to them under 17 USC chapter 10, in accordance with that law and these regulations.*

(iii) *The primary auditor's report shall be filed with the Copyright Office together with the annual statement of account, within two months after the end of the annual period for which the annual statement of account is prepared. The report may be qualified to the extent necessary and appropriate.*

(iv) *The Copyright Office does not provide a specific form, or require a specific format, for the CPA's review; however, in addition to the above, certain items must be named as audited items. These include the variables necessary to complete space C of the statement of account form. The CPA may place his or her opinion, which will serve as the "primary auditor's report," in the space provided on Form DART/A, or may attach a separate sheet or sheets containing the opinion.*

(v) *The auditor's report shall be signed by an individual, or in the name of a partnership or a corporation, and shall include city and state of execution, certificate number, jurisdiction of certificate, and date of opinion. The certificate number and jurisdiction are not required if the report is signed in the name of a partnership or a corporation.*

### Filing Dates

Annual statements of account are due no later than two months after the close of the calendar or fiscal year 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. (Quarterly statements of account shall be filed at intervals of three months for the first three 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.)

### 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 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.

### 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 be granted only to interested parties in accordance with regulations prescribed by the Register of Copyrights pursuant to section 1003(c) of title 17, *United States Code*, as amended by Pub. L. 102-563.