



**Recommendation concerning the tariff applied within the framework of the contract for reciprocal representation:**

"It has appeared in recent years that some record producers have been setting up some form of presence in a country without however in fact operating there in order to unduly benefit from a more advantageous licensing scheme than the one which would apply to the territory where their sound carriers are intended to be marketed.

Such behaviour which consists in creating an artificial link with a country while effectively marketing sound carriers only in other countries is highly detrimental to right holders.

Therefore, in order to protect right holders' interests, the BIEM Management Committee recommends that the terms and conditions applied within the framework of the contract for reciprocal representation be that of the country where the sound carriers are effectively marketed."

This recommendation will be followed up by a proposal to the next General Assembly to amend the standard agreement for reciprocal representation accordingly.