

Rights, Reporting & Royalty Compliance Checklist

Every licensed title carries a stack of payments — for the video, the embedded music, the talent, and (if you stream music) the sound recording — and the platform is the meter that has to calculate, report, and audit them all. Build one royalty pipeline on the viewing events you already collect, then check it against each deal and market. Engineering guidance, not legal or accounting advice; confirm obligations with counsel and finance.

1 · KNOW THE FOUR ROYALTY LAYERS

- The video work** — § 106 reproduction & performance; paid by deal (rev-share / per-stream / MG / flat).
- Embedded music** — sync (composition) + master use (recording); confirm the studio cleared it, or clear it yourself.
- Talent residuals** — SAG-AFTRA / WGA / DGA on reuse, plus the 2023 success-based streaming bonus if you produce.
- Sound-recording performance** — § 114 / SoundExchange, only if you stream music directly.

2 · METER & CALCULATE TO THE DEAL

- Encode the contract's definitions** — qualifying stream, counted minute, billable view; do not reuse analytics defaults.
- Revenue-share = pool allocation** — title minutes ÷ total minutes × distributable pool × the agreed %.
- Run the recoupment ledger** — accrue earned royalties, net against the non-refundable MG before paying more.
- Reconcile, never conflate** — the royalty meter and product analytics answer different questions; let them differ.

GO-LIVE GATE — BEFORE THE FIRST ROYALTY STATEMENT SHIPS

Confirm your catalog metadata knows, for every title, which of the four royalty layers it carries, who owns each, and under which deal each is paid — because you cannot compute a royalty you cannot attribute. Confirm the royalty meter enforces the contract's exact definitions of a qualifying stream, a counted minute, and a billable view, separately from your product-analytics counts, so you neither overpay inflated plays nor underpay into an audit finding. Confirm you emit the required reports in the required form — a machine-readable monthly report of usage to the MLC under 17 U.S.C. § 115, and valid DDEX DSR files to the labels and publishers you pay. Confirm an immutable, event-sourced royalty ledger can reconstruct any title's royalty for any month two-to-three years later, because a right-to-audit clause means someone will check. If you produce content, confirm your pipeline computes the 2023 success-based residual threshold from your own watch-time and subscriber data. This is engineering guidance, not legal or accounting advice; confirm royalty, reporting, and residual obligations per deal and territory with qualified counsel and your finance team.

3 · REPORT IN THE REQUIRED FORM

- § 115 monthly report of usage** — machine-readable, to the MLC, for the blanket mechanical license (17 U.S.C. § 115).
- DDEX DSR for music** — emit valid DSR flat files (ISRC/ISWC, territory, tier, streams) to labels and publishers.
- Per-recipient statements** — studio statements, PRO/SoundExchange where relevant; one pipeline, many formats.
- Keep personal data out** — report titles and counts, not viewer identities (ties to your privacy boundary).

4 · BUILD FOR THE AUDIT

- Assume a right-to-audit** — yearly, 2-3 year look-back; you may pay for the audit if underpaid by 5-10%+.
- Immutable, event-sourced ledger** — raw events, deal-term version, allocation inputs, outputs, report — append-only.
- Version, don't overwrite** — new deal terms = new version; corrections = compensating entries, not edits.
- Compute the residual threshold** — views = viewing time ÷ runtime; flag titles near 20% of domestic subs in 90 days.