

Act on Temporary Reimbursements for Music Recordings

2016 no. 110, 19 October

[Legislative history in the Alþingi.](#) [Legislative Bill.](#)

Entry into force: 1 January, 2017. The Act shall become void on 31 December, 2027, according to Article 11, cf. L. 118/2022, Article 5, Amended with: [ACT NO. 124/2020](#) (entered into force on 4 December, 2020.) [ACT NO. 118/2022](#) (entered into force on 31 December, 2022.)

Where this Act mentions a minister or a ministry without specifying or referring to a particular field, it means the **Minister of Culture, Innovation, and Higher Education** or the **Ministry of Culture, Innovation, and Higher Education**, which is responsible for this Act. [Information on the fields covered by ministries according to presidential ruling.](#)

Chapter I. Objective and scope of application

■ Article 1. Objectives.

The objective of this Act is to support the Icelandic music industry by providing publishers of recorded music [and, where applicable, service providers] ¹⁾ with a temporary right to reimbursement for part of the costs incurred when recording music in Iceland.

¹⁾[ACT NO. 118/2022, Article 1](#)

■ Article 2. Scope of Application.

This Act covers partial reimbursement of costs incurred when recording in Iceland music that has been published and made accessible to the general public.

Today, over 80% of recording costs are incurred in Iceland and 25% of the reimbursable costs incurred may be reimbursed in the European Economic Area.

■ Article 3. Definitions

For the purposes of this Act the following meanings shall apply:

1. *Reimbursable costs*: Costs that may be used to calculate the reimbursed amount, cf. Article 6.

2. *Music*: Art form where notes and sounds are utilised in an organised manner for various types of expression in a musical piece.

3. *Publication of recordings and access for the general public*: A record is deemed to have been published and made accessible to the general public when it has, with due authorisation, been publicly offered for sale, lending or rent, or otherwise distributed to the general public.

4. *Publisher*: The individual, group, or legal entity that is financially responsible for the

publication of recordings.

[5. *Service provider*: The individual that provides services to the music publisher and applies for reimbursement on their behalf.] ¹⁾

¹⁾[ACT NO. 118/2022, Article 2](#)

Chapter II. Application process, etc.

■ Article 4. Application

An application for the partial reimbursement of costs incurred by recording in Iceland shall be received by the Ministry, along with attached documents, no later than six months after the publication of the most recent recording to which the application for reimbursement applies.

A specially appointed four-person committee shall review applications and make suggestions to the Minister on how they should be dealt with. The Minister shall appoint the Committee, with two members being nominated by the Collecting Society for Performing Artists and Phonogram Producers, i.e. one member representing performers and one representing music publishers, one nominated by STEF, and one appointed without nomination and who shall serve as Chair. Alternates shall be appointed in the same manner. In case of a tie vote, the Chair shall have the deciding vote.

When assessing applications for reimbursement, the committee may seek an opinion from specialists on whether the conditions of Article 5 are met.

■ Article 5. Conditions for reimbursements for the publication of recordings

In order for a publisher to be reimbursed for recordings that have been published and made accessible to the general public, the following requirements shall be met:

a. The combined playback time of the recorded music is no less than [14] ¹⁾ minutes.

b. The recordings are published within an eighteen-month period.

c. No more than six months have elapsed since the publication of the latest recording.

d. There are itemised accounts for reimbursable costs incurred while recording, along

with copies of invoices.

e. There is information on the parties involved in recording and performing.

f. The recordings have been published and made accessible to the general public.

g. An ISRC code has been allocated to the recordings and they have been finally

registered at www.hljodrit.is.

h. The final registration of recorded pieces has been completed with authorised copyright societies along with attendant payment to authors, if applicable.

i. There is available information on how the recordings have been made accessible to the general public.

j. The publisher does not have outstanding taxes or other debts to the State or municipalities or other outstanding general government payment claims.

Recording of music to promote a particular product or service and recordings of audiobooks are not applicable for reimbursement according to this Act.

[Despite the conditions in Paragraph 1, Article 4 and Paragraph 1, a service provider is

permitted to apply for partial reimbursement of the costs incurred in recording in Iceland. The application must specify the expected date of publishing and it must be within reasonable limits from the time the reimbursement is applied for. The committee, cf. Paragraph 2, Article 4, will assess in each case what constitutes a reasonable time limit in this regard.]²⁾

¹⁾[ACT NO. 124/2020, Article 1](#) ²⁾[ACT NO. 118/2022, Article 3](#)

Chapter III. Reimbursements

■ Article 6. Reimbursable costs

Partial reimbursement may be made for the following costs incurred when recording recordings that are previously unpublished and are published within an eighteen-month period:

- a. Hourly studio rates for recording.
- b. Wage expenses incurred during the recording for hired performers or technicians.
- c. Post-production (including sound mixing and final sound processing.)
- d. Travel and logistics costs for musical instruments and main performers.
- e. Own work, cf. Article 7.

When recording occurs at concerts, exhibitions or similar events, only direct costs for recording, post-production, and royalties for performers may be calculated for reimbursement.

[The Minister is authorised by regulation ¹⁾ to provide further details on which costs are considered reimbursable.]²⁾

¹⁾[Rg. 1271/2016, cf. 1131/2023.](#) ²⁾[ACT NO. 118/2022, Article 4](#)

■ Article 7 Own work

If the same party is a publisher, technician, and/or performer, the party may calculate, as part of reimbursable costs, an own salary equivalent to a single monthly salary for artists, cf. Paragraph 1, Article 4 of the Artists' Salaries Act.

■ Article 8 Reimbursements

The ratio of reimbursements shall be 25% of reimbursable costs incurred by recording.

A single publisher can not receive a reimbursement in excess of ISK 30,000,000 in a three year period.

Chapter IV. Miscellaneous provisions

■ Article 9. Other grants

If an applicant has received a grant from public entities for the publication of the same recordings, the grant shall be deducted from the amount that is considered to be domestic reimbursable costs.

■ Article 10 Regulations

The Minister shall issue regulations ¹⁾ on the implementation of this Act, stipulating, among other things, the execution of reimbursements, the Minister's authorisation to

delay reimbursements that may exceed the funds allocated by Parliament at any time, conditions for reimbursements, applications, the processing of applications, and decisions on reimbursement.

¹⁾[Rg. 1271/2016, cf. 1131/2023.](#)

■ **Article 11.** *Entry into force, etc.*

This Act shall enter into force on 1 January, 2017. The Act shall become void on 31 December, [2027]. ¹⁾ Requests for reimbursement received by the Ministry prior to that date shall be processed.

An application for partial reimbursement of costs incurred can only be made for recordings published and made accessible to the general public subsequent to the entry into force of this Act.

Prior to 31 December, [2027] ¹⁾, the Minister shall carry out a performance assessment of the effects of this Act on the recording of music in Iceland.

¹⁾[ACT NO. 118/2022, Article 5](#)