

## **Article 9. LENDING**

The fee for the use of works with respect to the lending of commercial phonograms to the public (hereinafter referred to as “phonograms”) shall be a sum equal to the amount obtained by adding to the amount calculated hereafter, the amount equivalent to the consumption tax.

1. When an annual blanket licensing agreement is concluded
  - (1) The monthly fee for one facility shall be 7.7% of the monthly total business income from lending of phonograms for the base month.
  - (2) In the case that there is no business income from lending or reporting of such business income is not possible, the monthly fee for one facility shall be a charge calculated by multiplying the lending frequency during the base month by ¥36.
2. In the event above 1. does not apply
  - (1) Fee per work per use of a phonogram shall be ¥36.
  - (2) Fee per work per use of a work shall be ¥5.

### **Notes for lending**

#### ***Base month***

- (i) Base month shall mean the third preceding month from the month for which the fee is calculated.

#### ***Business income***

- (ii) Business income shall mean the total proceeds from lending of phonograms (not inclusive of the consumption tax and regardless of its name).

#### ***Lending frequency per month***

- (iii) Lending frequency per month shall mean the total number of phonograms that was lent between the beginning and end of the month.

***Special rules for fee calculation***

- (iv) In case that an annual blanket licensing agreement is concluded for services to deliver the phonograms to be lent to the customers' home or other places, 1(2) shall apply for the time being.

***Others***

- (v) In the event the type of use or some specific circumstances prevent the rates under this Article from being applicable, the fee shall be determined within the scope of the fees upon negotiation with the user.