

# RECORDING AGREEMENT CHECKLIST

THIS IS A CHECKLIST OF KEY DEAL POINTS AND ISSUES IN A RECORDING AGREEMENT. IT DOES NOT COVER EVERY ISSUE THAT MIGHT ARISE. EVERY DEAL IS DIFFERENT IN SOME WAY. YOU SHOULD GET LEGAL ADVICE ON LEGAL AGREEMENTS BEFORE YOU SIGN THEM. BUT THIS CHECKLIST IS A GREAT STARTING POINT.

*Remember to check out the Recording Agreement Fact Sheet for further information.*

## **1. RECORD LABEL DETAILS**

- 1.1. Use the correct full entity name, trading name (if any) and ACN or ABN.

## **2. ARTIST(S) DETAILS**

- 2.1. Contracting as group or as individuals? (Or both, e.g. "together and separately...")

## **3. TERRITORY**

- 3.1. Is it the world? Australia? Australia and New Zealand? World (excluding Australia)?

## **4. RANGE OF RIGHTS**

- 4.1. Will the label own copyright in the recordings delivered by the Artist? Or will the Artist license them to the label? (If a licence, see Master Licence Checklist and the Master Licence Fact sheet for further information.)
- 4.2. Recording services plus video performance services?
- 4.3. Will the Artist's services be exclusive to the label?
- 4.4. Does the label want rights to merchandise? (All or some? Exclusive or non-exclusive?)
- 4.5. Does the label want rights to do sponsorship and endorsement deals involving the Artist?

## **5. PRODUCT COMMITMENT AND TERM**

- 5.1. Number of EPs/Albums/Options (conditions of exercise of options? Increased royalties and/or advance).
- 5.2. How many tracks per album (playing time?).
- 5.3. Delivery requirements (timetable and format for delivery).
- 5.4. Length of term of exclusivity per album period (calculated from delivery or from release?).
- 5.5. Recording obligations?
- 5.6. Promotion obligations?
- 5.7. Re-recording restrictions?

## **6. INCOME**

- 6.1. Royalties (domestic and international):
  - a) What royalty rates for physical sales, digital sales, licensing, PPCA income. For physical sales, are there rate reductions for sales via clubs, and premiums, mid-price, budget sales?
  - b) How are the royalties calculated? (On income from wholesale, retail sales, "net receipts" – if so, "net" of what?)
  - c) Do royalties escalate based on sales numbers?
- 6.2. Does the label want a share of live performance income?
- 6.3. Does the label want to deduct packaging deductions (on what formats?)
- 6.4. What are the label's "free goods to distributor" trade terms?
- 6.5. What costs will be recoupable from royalties, or otherwise payable by Artist?
- 6.6. Can Artist purchase discount copies of physical recording for resale at gigs or via website?
- 6.7. What are the terms regarding accounting and audit (frequency, details to be in accounting statement, compensation for audit costs if sufficient margin of error discovered).

## **7. ADVANCES**

- 7.1. Lump sum? When payable? (And do they escalate for each further album?)
- 7.2. Recording costs? (And do they escalate for each further album?)
- 7.3. Any tour support?
- 7.4. What's the marketing budget?
- 7.5. Any fund for equipment?
- 7.6. Legal advice advance?
- 7.7. What are the conditions of advances (repayable or recoupable?)

## **8. ARTISTIC CONTROL AND RESTRICTIONS ON COMPANY**

- 8.1. What are the formalities of acceptance of recordings by label?
- 8.2. Who has creative control?
- 8.3. Who decides which songs are recorded and included on album?
- 8.4. Who chooses the producer and engineer?
- 8.5. Who makes decisions about packaging, marketing, and promo material?
- 8.6. Can the label issue compilations, sync licensing and remixes? Does the Artist have a right of approval over such uses?
- 8.7. Budgets (who prepares, approves – are there recoupable costs?).
- 8.8. What are the rules about additional featured performers?

## **9. MUSIC PUBLISHING**

- 9.1. Does the Artist have to agree to licence Artist-composed songs to the label for use in the record subject to mechanical royalty rates cap? ("Controlled Composition" provisions.)
- 9.2. Will the rates cap apply to third parties (who co-compose with the Artist)?

## **10. PROMOTION AND MARKETING**

- 10.1. Is there a promo and marketing plan (trade and consumer advertising, radio, touring, internet, billboards, etc?)
- 10.2. What are, and who covers, costs and budgets?

## **11. RELEASE REQUIREMENTS**

- 11.1. Is there a deadline for the label to release within a certain time after delivery and acceptance?
- 11.2. Digital vs. physical (timing).
- 11.3. Domestic market release deadline?
- 11.4. International market release deadline?

## **12. GROUPS**

- 12.1. What are the rules about solo albums, side projects, collaborations?
- 12.2. What happens when a member of the Artist leaves the group?

## **13. ASSIGNMENT**

- 13.1. Can the label assign the contract (or some or all of its rights under it) to anyone else?
- 13.2. If so, does that require the consent of the Artist?
- 13.3. Does the label have to ensure the assignee agrees to be bound by the contract?
- 13.4. Does the label remain liable at all?

## 14. TERMINATION RIGHTS: WHO CAN TERMINATE, WHEN AND HOW?

- 14.1. Are advances repayable?
- 14.2. What happens to the label's rights, post-termination?

*For more information, you can speak to your local Industry Association, the Arts Law Centre of Australia or a legal practitioner.*



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This checklist is an initiative of the Australian Music Industry Network. For more information visit [www.amin.org.au](http://www.amin.org.au).



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