



OPERATIONS MANUAL

Legal & Institutional Framework

Legal Basis

Republic Act No. 8293, also known as the *Intellectual Property Code of the Philippines*, is the principal law governing intellectual property rights in the Philippines. Enacted on June 6, 1997 and effective from January 1, 1998, it consolidated previous IP statutes and aligned them with international standards, fostering innovation, creativity, and technology transfer in the country.

Recorded music rights in the Philippines are primarily governed by Republic Act No. 8293, which grants legal protection to sound recordings and recognizes the rights of performers and producers. Under this law, owners of recorded music have exclusive rights to reproduce, distribute, and communicate their works to the public, meaning that any use of music in businesses, broadcasts, or public venues requires proper authorization or licensing. These rights are further strengthened by Republic Act No. 10372, which enhances enforcement and penalties for infringement. In practice, organizations such as Philippine Association of Record Industry and Filipino Society of Composers, Authors and Publishers help manage and collect royalties, ensuring that artists, composers, and producers are fairly compensated when their recorded music is used publicly.

Scope of Rights

The scope of rights in music is commonly divided into **performance rights, mechanical rights, and neighboring rights**, each covering different uses of a work and ensuring that the appropriate parties are compensated. Performance rights apply when a song is played or performed publicly, such as on radio, television, live concerts, or streaming platforms like Spotify and YouTube; these royalties are typically paid to songwriters, composers, and publishers. Mechanical rights, on the other hand, relate to the reproduction and distribution of a musical composition, including physical formats like CDs and vinyl as well as digital downloads and streams, and these royalties also go primarily to songwriters and publishers. Neighboring rights, also known as related rights, differ in that they protect the interests of performers and record labels in the actual sound recording, rather than the composition itself, and are triggered when recordings are broadcast or played in public. Together, these rights often overlap in modern music use, meaning a single activity such as streaming can generate multiple types of royalties for different rights holders.

Territorial coverage and reciprocity agreements

Territorial coverage in copyright refers to the fact that rights are generally **enforced on a country-by-country basis**, meaning a creator's work is protected under the laws of each individual nation where protection is recognized. Because music and other creative works circulate globally—especially through platforms like Spotify and YouTube—this creates the need for cross-border systems to manage and collect royalties efficiently. This is where **Collective Management Organizations (CMOs)** come in. CMOs operate within specific territories (for example, a national PRO handling performance rights in one country), but they are connected through **reciprocity agreements**, which allow them to represent each other's repertoires internationally.

Under these agreements, a CMO in one country can license the use of foreign works within its territory and collect royalties on behalf of the foreign rights holders, then transfer those royalties back to the creator's home CMO. This forms a **global network of CMOs**, ensuring that creators are paid when their works are used abroad without needing to directly manage rights in every country. For example, when a song created in one country is streamed or broadcast in another, the local CMO collects the royalties and, through reciprocal arrangements, sends the earnings to the appropriate organization representing the creator. This system helps bridge the territorial limits of copyright law while enabling efficient global royalty collection and distribution.

Governance & Organizational Structure

The **Board of Trustees** holds the highest level of governance within the organization and is ultimately responsible for setting its strategic direction, ensuring accountability, and upholding its mission and values. At the helm of the **Board is the Chairman**, whose primary role is to provide leadership, guide policy formulation, facilitate effective decision-making, and ensure that the Board functions cohesively and efficiently. The Chairman also serves as a key link between the Board and the organization's executive management, promoting alignment between governance and operations.

Supporting the Chairman are key officers such as the Treasurer and the Corporate Secretary, each with distinct and critical responsibilities. The **Treasurer** oversees the organization's financial stewardship, ensuring that resources are managed prudently, financial decisions are sound, and the organization maintains a stable and sustainable financial position. This role includes budgeting, financial planning, monitoring cash flow, and safeguarding assets to promote long-term financial health.

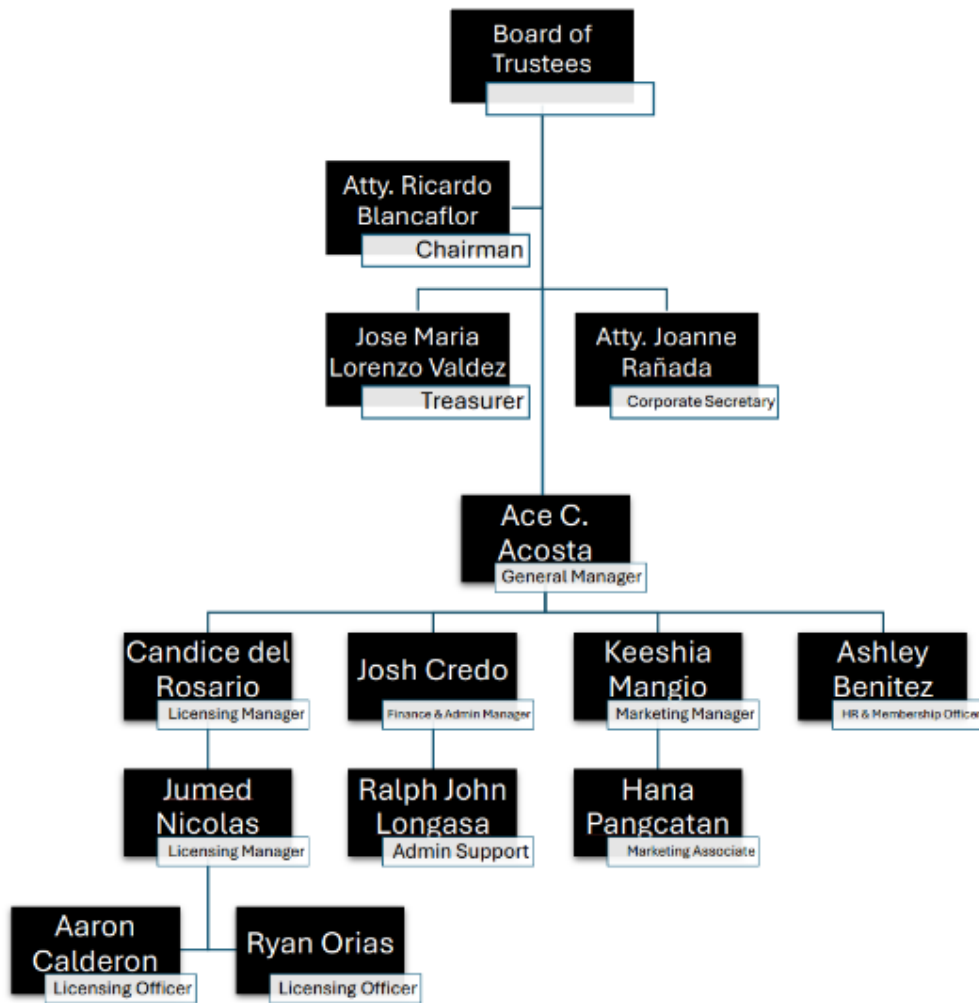
Meanwhile, the **Corporate Secretary** is responsible for maintaining accurate records, documenting all official proceedings, and ensuring compliance with legal and regulatory requirements. This role is also essential in fostering transparency and communication, ensuring that both internal and external stakeholders are properly informed and that governance processes are conducted in an organized and accountable manner.

Beyond the Board of Trustees, the **General Manager** plays a pivotal operational role in the organization. Acting as the bridge between governance and execution, the General Manager oversees the day-to-day operations and ensures that all departments are aligned with the organization's strategic goals. This includes managing resources, coordinating departmental activities, implementing policies set by the Board, and driving overall organizational performance. Through effective leadership and coordination, the General Manager ensures that the organization operates efficiently and achieves its objectives.

Under the leadership of the General Manager are several key departments that support the organization's core functions. The **Licensing Department** is responsible for managing permits, certifications, and regulatory compliance requirements, ensuring that all organizational activities adhere to applicable laws and standards. The **Finance and Administration Department** handles financial operations as well as administrative support, including budgeting, accounting, procurement, and general office management, thereby ensuring operational efficiency and financial integrity. The **Marketing Department** focuses on promoting the organization's programs, services, and initiatives. It is responsible for branding, public relations, stakeholder engagement, and increasing visibility to strengthen the organization's presence and impact. Meanwhile, the **HR and Membership Department** manages human resources functions such as recruitment, training, performance management, and employee relations, while also overseeing membership engagement, retention, and development to ensure a strong and active organizational community.

Together, these departments, under the guidance of the General Manager and the governance of the Board of Trustees, work collaboratively to ensure that the organization operates effectively, remains compliant, and continues to achieve its mission and long-term objectives.

Organizational Structure



Membership & Rights Administration

This subsection establishes the policies, roles, and procedures governing the administration of membership and the recognition, protection, and enforcement of member rights. All membership-related actions shall be carried out in accordance with the approved **Member Mandates** and other governing documents of the organization.

Membership Records Management

The **Membership Team** shall be responsible for the creation, maintenance, and safekeeping of an official and centralized membership registry. This registry shall accurately reflect the identity, classification, and current standing of all members.

Membership records shall be promptly updated to reflect any changes arising from admission, renewal, suspension, resignation, termination, or reinstatement. All records shall be treated as confidential and handled in accordance with applicable data privacy, confidentiality, and records-retention policies. Access to membership records shall be limited to authorized personnel only.

Admission, Renewal, and Status Management

The Membership Team shall administer all membership applications, renewals, and changes in membership status strictly in accordance with the procedures, criteria, and timelines set out in the Membership Kit.

All decisions affecting membership status—including approval, denial, suspension, or termination—shall be properly documented and formally communicated to the concerned member through official channels. Membership status shall be clearly indicated in the registry and shall serve as the basis for determining eligibility to exercise rights and privileges.

Rights Administration

The rights, privileges, and responsibilities of members are defined in the Mandates and related governing instruments. The Membership Team shall ensure that these rights are administered consistently and fairly.

Only members in good standing shall be entitled to exercise applicable rights, including but not limited to:

- Voting and participation in general assemblies or similar governing bodies
- Access to member benefits, programs, and services
- Eligibility to hold office or represent the organization, where applicable

The Membership Team shall support member awareness of their rights and obligations through orientation activities, official announcements, and access to published governing documents.

Rights Protection and Enforcement

Any concerns, complaints, disputes, or alleged violations relating to membership rights shall be addressed through established grievance, disciplinary, or dispute-resolution mechanisms.

All proceedings affecting member rights shall observe due process, transparency, and fairness. Decisions shall be based on documented facts, applicable policies, and approved mandates. Records of complaints, deliberations, decisions, and resolutions shall be properly documented and retained.

Communications

The Membership Team shall issue official communications related to membership matters—including but not limited to renewals, assemblies, elections, policy updates, and disciplinary actions—through approved communication channels.

Members are responsible for maintaining accurate and up-to-date contact information to ensure timely receipt of official notices and communications.

Compliance, Monitoring, and Review

Membership administration practices shall be periodically reviewed to ensure continued compliance with the Membership Kit, Mandates, internal policies, and applicable laws and regulations.

Any revisions or amendments to membership-related procedures shall be subject to formal approval and communicated to members in a timely manner.

For detailed provisions regarding eligibility, rights, obligations, benefits, and disciplinary measures, refer to the approved Membership Kit and Mandates, which form an integral part of this Operations Manual.

Licensing Operations

Licensing Process Flow

1. Conduct trade visit

Check establishments playing music, verify if songs are under PRM's catalog, and issue a Music Licensing Notice if applicable.

2. Send introductory email

Licensing Department contacts the head office point of contact, shares the Music Licensing Notice, and requests a meeting.

3. Hold introductory meeting

PRM presents company profile, IP Code 8293, licensing process, and provides materials such as rates, website, and accreditation seal.

4. Negotiate and finalize agreement

Discuss rates and terms, send draft license agreement and SOA, and secure signatures and notarization.

5. Issue sales invoice

Finance issues the invoice once the agreement is signed and notarized.

6. Manage payment follow-up

Send reminders before due dates, apply interest for overdue payments, and escalate to legal counsel if necessary.

7. Deliver licensed materials

Once payment is received, PRM sends licensed stickers to all approved stores.

Licensing Escalation Process Flow (Overdue / Non-Response)

1. Payment Follow-Up

- Day 15 (calendar days) after Sales Invoice issuance → Send 1st reminder email or call.
- Day 20 (calendar days) after Sales Invoice issuance → Send 2nd reminder email.
- If payment is received → proceed to license sticker issuance.
- If payment is not received → move to Step 2.

2. Payment Overdue (1 Month After Invoice)

- Finance flags account as "Payment Overdue."
- Notify licensee of 2% monthly interest beginning from the overdue date until full payment is made.

- If payment is received → proceed to license sticker issuance.
- If not → move to Step 3.

3. Legal Demand Stage

- 3rd email issued by Finance with overdue notice.
- If still unpaid → Legal Counsel issues a Demand Letter including:
 - Updated license fee computation with interest.
 - Clear deadline for payment.
 - Warning of legal action if payment is not made.
- If payment is received → proceed to license sticker issuance.
- If not → move to Step 4.

4. Escalation to Legal Action

- If licensee fails to respond or pay by the deadline:
 - Case is escalated to PRM Board.
 - Board decides venue for litigation:
 - § IPOPHL (Intellectual Property Office of the Philippines)
 - § Court proceedings

Licensing Escalation Flow (Non-Responsive or Post-Intro Meeting)

1. Initial Contact Ignored?

- No response to introductory letter or calls.
- Conduct monitoring visits and collect evidence.
- Send follow-up email referencing visits and request a meeting.

2. Escalate Contact Attempts

- Send a third warning email with a final response deadline.
- Issue a Compliance Notice Letter to HQ (signed by GM) with 5 business days to respond.

3. Legal Escalation

- If still no response, Legal Counsel issues a Demand Letter with payment or compliance deadline.
- If unaddressed, refer to PRM Board for decision on litigation venue (IPOPHL or Court).

Royalty Collection and Distribution

All distributions of funds, benefits, resources, or other entitlements shall be governed solely by the approved **Distribution Policy** and related implementing documents.

All officers, employees, members, and authorized units involved in the approval, processing, recording, or release of distributions are required to comply fully with the Distribution Policy and all directives issued pursuant thereto.

Any questions, exceptions, disputes, or issues arising from distribution activities shall be addressed strictly in accordance with the procedures, controls, and corrective mechanisms defined in the Distribution Policy. Violations of distribution rules shall be subject to the applicable remedial, disciplinary, or recovery measures provided therein.

The approved Distribution Policy, including its provisions on eligibility, authorization, limits, documentation requirements, controls, and sanctions, forms an integral part of this Operations Manual and is hereby adopted by reference.

Data Security

The organization is committed to protecting personal data and ensuring compliance with applicable data privacy laws and regulations. All collection, processing, storage, sharing, and disposal of personal data shall be governed exclusively by the approved **Data Privacy Manual** and related implementing documents.

All officers, employees, members, contractors, and authorized third parties who handle personal data in the course of organizational activities are required to comply fully with the Data Privacy Manual and all directives issued thereunder.

Any questions, concerns, incidents, or complaints relating to personal data processing shall be handled in accordance with the procedures and mechanisms established in the Data Privacy Manual. Violations of data privacy requirements shall be subject to corrective and disciplinary measures as provided therein.

The approved Data Privacy Manual, including its definitions, principles, roles, rights of data subjects, security measures, breach response procedures, and sanctions, forms an integral part of this Operations Manual and is hereby adopted by reference.