OFFICE CHEAT SHEET

No legal or tax advice

A reading aid, not a template to sign. Deal figures marked UK are UK data and do not apply automatically to German deals. German tax law simplified (as of October 2026) – ask a music or media lawyer, a tax adviser or your Finanzamt.

Deal types

DEAL	PAYS RECORDING	OWNS MASTER
Artist contract (exclusive, artist gets a percentage)	Label	Label
Licence deal (Bandübernahme): finished recording, higher percentage	artist	artist (label: licence)
Distribution deal (promotion stays with you)	artist	artist
Publishing deal (rights in the *songs*)	–	–
Producer agreement (fee and/or share)	who commissions	per contract
Featuring (guest's performance) · remix (song + recording)	– · per contract	unchanged · per contract

Written form (hand signature, § 126 BGB, or qualified e-signature, § 126a – an e-mail is neither) for rights in unspecified future works (§ 40 UrhG) and for unknown types of use (§ 31a). Uses not listed one by one ⟶ the purpose of the contract decides (§ 31 (5)).

The clauses

- Rights limited by place, time, content (§ 31 (1)) – list the uses. Personal exclusivity: all new recordings during the term go to the label; minimum delivery (SUISA).
- Options: mostly one album with an option on the next (AHK); UK (BPI): usually three or four options, rights for the "life of copyright".
- Statements at least once a year, first one year after use begins (§ 32d; performers via § 79 (2a)).

Royalty, profit share, recoupment

- UK: emerging performer on a standard royalty deal likely 20 to 24 % of recording revenues (minus producer fees); indie profit share usually 50:50 (Commons committee, 2021). CMA: average major royalty 19.7 % (2012), 23.3 % (2021).
- **Recoupable** advance: royalty deal – earned back from the royalties only; profit share – costs off total revenues first. UK example: £10,000 costs at 25 % ⟶ revenue must exceed £40,000 before any royalty.
- Publisher (GEMA distribution plan): 33.33 % performing, 40 % mechanical, from the author's share. Pay not appropriate ⟶ amendment (§ 32); disproportionately low ⟶ further share (§ 32a).

Red flags

- "All known and unknown uses": authors can revoke until three months after notice of the new use (§ 31a). A waiver of the recall for non-use (§ 41) does not hold on its own.
- No advance waiver of § 32a; § 32b: applies even under a foreign choice of law if German law would otherwise apply or relevant uses are in Germany. § 40a (authors only): exclusive grant for a flat fee ⟶ exploit elsewhere after ten years, the partner keeps a simple right.
- **Cross-collateralisation** (in 360 deals possibly publishing, concerts, merch) – ask which income. Free transfer (§ 34) – ask to whom. Ask about an audit clause (WIPO: creators need to know the basis of their pay).
- Featuring: the guest's permission (§ 77); at GVL a featured artist counts as soloist (my.gvl). Remix: two producers claiming one recording ⟶ GVL blocks it for the overlap – settle who registers it.
- A flat fee must still give a fair share of the expected total proceeds (§ 32 (2)). § 79a: one-off payment ⟶ for each full year after the 50th year after publication an extra 20 % of the producer's income from the recording (20 % in total for all performers), via a collecting society.

Checklist: a licence deal names …

parties · recordings (titles, ISRC) · rights and uses, exclusive or simple · territory · term · money (percentage or split, advance, what is recoupable) · statements · credit · who registers what (GVL, GEMA) · return of rights, re-recording limits, insolvency clause.

Who takes a cut · how GVL pays

Streaming	distributor fee or commission – iMusician: 10 % (Starter), none with AMPLIFY; 20 % on social media and Content ID
Bandcamp	digital 15 % (10 % from US$5,000 in sales, while ≥ US$5,000 in 12 months) · physical 10 % (without shipping, tax) · plus payment processor, typically 4–6 %
GVL	radio/TV: by reported broadcast minutes

Song money is not label money: Bandcamp's "collection society share" goes to the collecting society.

How streaming pays (Spotify)

- No fixed rate per stream – **streamshare**: share of all streams in a month. About two thirds of music revenue go to royalties (four fifths recording, one fifth publishing).
- Since April 2024: a track needs at least **1,000 streams** in the previous 12 months for the recording royalty pool. Deezer/UMG (announced 2023, start in France): double boost for artists with at least 1,000 streams a month by at least 500 unique listeners.
- Statements: Sales Date (month streamed) ≠ Statement Date (booked); withdrawal minimum usually US$2–50; reserves against returns of physical sales. Invented 50:50 profit split: net €2,332.80 – pressing €1,785.00 = €547.80 ⟶ €273.90 each.

Costing a pressing

- Gotta Groove (USA, list uploaded April 2024 – nothing to go by for European plants): 300 black 7-inches $1,300, colour $1,710; incl. lacquers, plating, five test pressings; shipping extra; 10 % over/underrun, 50 % deposit.
- **GEMA licence** (VR-T-H 1): 10 % of the highest net retail price or 13.75 % of the highest net dealer price, whichever gives the higher licence; minimum for a 45-rpm single (up to 8 min) €0.1473; × copies *produced*; plus VAT. €70 flat fee (on application) only for promo first runs of members' own works: max. 500 copies, max. 100 (or 20 %) for sale.
- Invented: 300 clear 7-inches €1,785 = €5.95 a copy; break-even selling one way only: 179 at the merch table (€10), 210 on Bandcamp (€8.50) or 397 in shops (€4.50).

Tax basics in Germany

- **Small-business rule** (§ 19 UStG, since 1 Jan 2025): VAT-exempt if turnover (amounts received) was ≤ €25,000 last year and stays ≤ €100,000 this year – pass €100,000 during the year and it no longer applies from that point. No VAT on invoices, no input-tax deduction; a waiver binds for at least five calendar years.
- VAT 19 %; music recordings are not on the 7 % list – with regular taxation a €10 record contains €1.60. Sales to private customers in other EU states over €10,000 (current or previous year) ⟶ VAT in their country; One-Stop-Shop (BZSt, since 1 July 2021), per quarter.
- **EÜR**: income in the year received, expenses in the year paid (§ 4 (3), § 11 EStG). Commercial businesses must keep books only above €800,000 turnover or €80,000 profit (§ 141 AO). KSK levy 2026: 4.9 %.

Sources: UrhG §§ 31–41, 79, 79a · BGB §§ 126, 126a · SUISA glossary (2026) · AHK · UK CMA (2022) · UK Commons DCMS committee (2021) · WIPO (2024) · Songtrust · GEMA · GVL · Spotify for Artists · Deezer · Bandcamp Help · iMusician · Curve · Gotta Groove · UStG §§ 12, 19 · EStG §§ 4, 11 · AO § 141 · BZSt · KSK. Details: adubta-music.de/buero.html