

RINGTONE SERVICE PROVIDERS

(Tariff "RSP")

Effective from 1 January, 2016

1. SCOPE OF TARIFF

This TARIFF applies to Ringtone Service Providers transmitting or permitting transmission of musical works and sound recording falling within the repertoire of UPRS - purposely for the affixation of such Musical Ringtones or Ring backs on mobile phones/cell phones.

The TARIFF covers any preview facility, as well as the act of transmitting Musical and sound recording Ringtones or Ring backs to such mobile phones/cell phones.

2. GENERAL CONDITIONS AND DEFINITIONS

2.1 This TARIFF applies only to the transmission of Musical and sound recording Ringtones, Ring backs covered by a license from UPRS, obtained before transmissions commenced. Any transmission of the same content not so covered will be assessed at double the applicable tariff. UPRS is not bound to offer a license in respect of any transmission services (hereinafter referred to as the SERVICE) for which application was not made in advance.

2.2 For clarity UPRS confirms that the total license fees due under this Tariff are arrived at by adding the individual charges for musical works and sound recordings together.

2.3 The LICENSE FEES are calculated by reference to "Gross Receipts" of the SERVICE for the license period, subject to a minimum fee of Shs 308 per Musical Ringtone, Ring back delivered to users of the SERVICE and/or per content preview call or view by users of the SERVICE.

2.4 DEFINITIONS

2.4.1 "Gross Receipts" means the actual gross amounts received by the SERVICE, its agents, licensees and subsidiary or associated companies in respect of the RT or RB SERVICE:-

2.4.1.1 by way of sale of Musical RT or RB, whether carried in a normal or premium service;

2.4.1.2 in respect of third party subscriptions to the SERVICE;

2.4.1.3 in respect of any monies received from signal carriers for the provision of the SERVICE on their network;

2.4.1.4 in respect of advertisements or other musical programme content transmitted by the SERVICE;

2.4.1.5 where merchandise, services or anything or service of value is received by the SERVICE in lieu of cash consideration for the use of SERVICE's Musical Ringtone or Ring backs transmissions (i.e. "trade-outs and barter"), the fair market value thereof, or the SERVICE's prevailing published card rate, whichever is less.

2.4.2 "Musical Ringtones or Ring backs" means music files or other digital media embodying musical works, in whole or in part, being sixty (60) seconds or less in duration.

2.5 The "Gross Receipts", number of Musical Ringtone or Ring backs deliveries and number of Musical and sound recording Ringtone or Ring backs Preview Calls mentioned in 2.4.1.1 to 2.4.1.5 must be certified as being correct by the SERVICE's auditors, or in a manner acceptable to UPRS.

2.6 UPRS reserves the right to make such variations in its tariff as it considers appropriate in respect of licensing SERVICES which, in its opinion, do not fall within the scope of this tariff.

3. TARIFF RATES

No.	Particular	Tariff
3.1	LICENSE FEE as a percentage of Gross Receipts as defined in 2.4.1.1 to 2.4.1.5 above subject to a:-	30%
3.2	MINIMUM FEE per Musical and sound recording Ringtone or Ring back delivered and/or Musical Ringtone or Ring back preview call subject to:	38%
3.3	MINIMUM ANNUAL LICENSE FEE	60'000'000

4. TARIFF ADJUSTMENT

The foregoing rates of charge are related to the Official Consumer Price Index as published by the Uganda Bureau of Statistics as for the year 2015. They are subject to a surcharge or discount of 1% in respect of every increase or decrease of 1 complete point in the weighted average figure of the aforementioned Index. Such surcharge or discount shall take effect from the sixth day of the anniversary month next following the second month in which the relevant index figure is published.

5. VALUE ADDED TAX

Every Licensee under this tariff will pay to UPRS, in addition to the license fee due under the tariff, a sum in respect of Value Added Tax calculated at the relevant statutory rate on the annual license fee payable and UPRS shall provide a Tax Invoice in relation to the fee payable, to the Licensee.