

AGENCIES/SOCIETIES

Writer/Publisher Royalties

SOCAN (CAN)

Collects for: Public Performance, Concerts, Broadcast, and Private Copying
Distribution: August/November/February/May
Contact Info: <https://www.socan.ca/> | Phone: 1.866.307.6226 | Email: members@socan.ca

Other territories

ASCAP, BMI, SESAC (US)

SOCAN has reciprocal agreements with other PROs. When registering with SOCAN, you can choose who will represent you in those territories.

CMRRA (CAN) CANADIAN MUSICAL REPRODUCTION RIGHTS AGENCY

Collects for: Mechanicals (physical & digital), Broadcast Mechanicals, Private Copying
Distribution: March/June/Sept/December
Contact Info: <http://www.cmrra.ca/> | Phone: 416-926-1966 | Fax: 416-926-7521

Other territories

MCPS (MECHANICAL COPYRIGHT PROTECTION SOCIETY) (INTERNATIONAL)

Distribution: Monthly
Contact Info: <http://www.prsformusic.com>

HFA-HARRY FOX AGENCY (US)

There are many restrictions with regards to becoming a member of HFA. MCPS has a reciprocal agreement with them and can collect on your behalf.

SODRAC (QUEBEC)

SODRAC is a collective management society within the meaning of the Copyright Act. It grants licences for all reproductions of musical and artworks. SODRAC represents authors, composers, music publishers and creators and co-creators of artistic works. Our society also represents heirs of rights, titles and interests in a work following an author's death.

SOUND EXCHANGE (INTERNATIONAL)

Collects for: Master owners (and performers) for studio master performance (digital transmission) royalties.
Distribution: Quarterly
Contact Info: <http://www.soundexchange.com> | Phone: 202-640-5858 | Fax: 202-640-5859 | Email:

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Contact Info: <http://www.soundexchange.com> | Phone: 202-640-5858 | Fax: 202-640-5859 | Email: info@soundexchange.com

CONNECT MUSIC LICENSING (CAN) (FORMERLY AVLA-AUDIO VISUAL LICENSING AGENCY)

Collects for: Neighboring Rights, Private Copying, Broadcast Mechanical, Licenses for Audio Visual Performances

Distribution: Various

Contact Info: <http://www.connectmusiclicensing.ca/> | Tel: (416) 922-8727 | Fax: (416) 967-9415

AARC ALLIANCE OF ARTISTS AND RECORDING COMPANIES (INTERNATIONAL)

Collects for: Master owners (and lead performers) for private copying and rental revenues.

Distribution: December

Contact Info: <http://wp.aarcroyalties.com> | Phone: 1-703-535-8101 | Fax: 1-703-535-8105

Note: The US is one of the only territories that do not pay out a Broadcast Mechanical or Neighboring Rights royalties, so this is the only territory that is exempt from collecting or paying these royalties on a global scale.

SOUNDEXCHANGE

Collects for: Lead performers (and master owners) for studio master performance (digital transmission) royalties.

Distribution: Quarterly

Contact Info: <http://www.soundexchange.com> | Phone: 202-640-5858 | Fax: 202-640-5859 | Email: nfo@soundexchange.com

ACTRA/RACS OR MROC

ACTRA/RACS (RECORDING ARTISTS' COLLECTING SOCIETY)

Collects for: Lead and background performer studio master performance that are digitally broadcast for Neighboring Rights, Private Copying,
Domestic performance with reciprocal agreements for international Collections (PPL)

Distributions: Various

Master Owner Royalties

MROC (MUSICIANS' RIGHTS ORGANIZATION CANADA)

Collects for: Lead and background performer studio master performance royalties that are digitally broadcast for Neighboring Rights, Private Copying,
Domestic performance with reciprocal agreements for international Collections (PPL)

Distribution: Quarterly

(PPL)

Distribution: Quarterly

Contact Info: <http://musiciansrights.ca> | Phone: 416-510-0279 | Fax: 416-510-8724 | Toll Free: 1-855-510-0279

PPL (PHONOGRAPHIC PERFORMANCE LIMITED) RECIPROCAL AGREEMENT WITH MROC AND RACS

(Direct International Neighboring Rights)

Distribution: Quarterly

Contact Info: <http://www.ppluk.com>

AARC (ALLIANCE OF ARTISTS AND RECORDING COMPANIES)

Distribution: December

Contact Info: <http://wp.aarcroyalties.com> | Phone: 1-703-535-8101 | Fax: 1-703-535-8105

Note: The US is one of the only territories that do not pay out a Broadcast Mechanical or Neighboring Rights royalties, so this is the only territory that is exempt from collecting or paying these royalties on a global scale.

DEFINITIONS & EXPLANATIONS

DIGITAL PERFORMANCE | DIGITAL BROADCAST

Who collects: SoundExchange

Digital royalties are fees that digital companies are required by law to pay for streaming music. These royalties are paid out by the services to SoundExchange, and accompanied with playlists of all the recordings played by the service provider. SoundExchange's role is to take these payments, allocate the fees to the recordings according to how often each song was played, and then pay the featured artist(s) and copyright owners of those recordings.

- Digital Radio Services
- Webcasters
- cable TV Music Channels

GRAND RIGHTS: THEATRE OR STAGE PRODUCTION

Who collects: Writer/Publisher

Use of original music in a musical theatre production, which would encompass more than just a live performance on a stage. This is different than a synch license in that it would involve sets, costumes and the live reproduction of that music

- Negotiated rate between publisher/writer and user or in most cases the producer of the stage production
- If the music & lyric is written specifically for the production, then a % of royalties would go to the screen play writer and the composer / author based on the box office sales or ticket buys.
- If the music was already created and placed into the production, then only grand publishing rights would need to be licensed, the master right would not need to be cleared since they would be re-creating the performance live on stage.

MECHANICALS

Who collects: CMRRA/SODRAC/MCPS/HFA

Who collects: CMRRA/SODRAC/MCPS/HFA

Straight Mechanicals:

This royalty is generated by the sale of a song through physical or digital means

- Song is licensed from the writer/publisher by the label/master owner
- Penny rate for song sold (CDN .083/US .091) this includes the following types
 - CD, LP(Vinyl), Cassette, Online - Digital Download (single or album), Streaming, Ring/mastertone, Private Copy, Broadcast Mechanical, Pay Audio

Online / Digital Downloads (Singles & Full Albums)

Online Royalties are generated by the download purchase of a single song or album from an online aggregator such as Tune Core, CD Baby or iTunes.

- In order to claim or collect this royalty you must go through an agency such as CMRRA for each territory you have released your music in, and the agencies will vary depending on the territory
- Some territories have restrictions on joining direct, however there are other international agencies that you are allowed to join that have reciprocal agreements with these agencies and therefore can collect on your behalf. MCPS in London England has a reciprocal agreement with both the HFA in the US AMCO in Australia, both that have restrictions in becoming a member directly.
- Unless you are a major artists, the revenue streams from online sales is generally pretty small depending on the rate and # of downloads
- Note that CMRRA is free to join, but MCPS charges a fee, currently it is 250 lbs to become a member so it is best to wait until you have significant international releases before becoming a member

Performer Royalties

hard drive, which is a reproduction, and therefore a mechanical license is required by law.

- The number of spins a track might receive on commercial radio airplay derives the calculation. However, this is not the same type of royalty as what SOCAN pays, although they are calculated by using the same type of playlist coming from the Broadcasters. CMRRA is mechanical, SOCAN is performance.
- Because this royalty is based on playlists provided by the broadcasting stations, this royalty is time sensitive and is attached to the year it received airplay. Once the agency is ready to distribute the earning from that year, they will 1st pay those members with claims and the unclaimed royalties will be re-distributed to the existing membership, when they are ready to close that year. The reason for this is that they cannot carry forward any unclaimed money, since the new year will have a different playlist.
 - These royalties are time sensitive, and therefore it is imperative for you to register your work immediately especially if it is experiencing commercial success by way of airplay on a radio station.
 - If you are not signed up to the collective within the year that they are currently processing (and they are relatively current now) you will lose those earned royalties, and they will be re-distributed to the publishers already signed up.

NEIGHBORING RIGHTS

Recognized, implemented and practiced in over 80 nations, Neighboring Rights extends copyright protection of published sound recordings to performers and record companies, and entitles them to receive equitable royalty remuneration for the public performance or communication to the public by

Recognized, implemented and practiced in over 80 nations, Neighboring Rights extends copyright protection of published sound recordings to performers and record companies, and entitles them to receive equitable royalty remuneration for the public performance or communication to the public by telecommunication of their recordings in Canada.

Initially collected by Re-Sound and claims are then made by various agencies for distribution to lead & featured artists as well as background performers. On the performer side, agencies include ACTRA/RACS and MROC (formerly AFM) and on the Master side, Connect Music Licensing (formerly AVLA).

This royalty is generated by a performance on a master recording as it is being made.

- Performers entitled to this royalty are solo artists, bands, featured artists & background performers - including singers, musicians, programmers (beat makers) & producers.
- All Ancillary royalties would include Neighboring Rights & Private Copying.
 - Lead or Featured artists: @ 80% split between all performers
 - Side Person or background: @ 20% split between all performers

Note: The US did not sign the Rome Convention, and therefore albums (masters) recorded in the US and owned by American companies do not qualify for Neighboring Rights. There are some exceptions depending on circumstances surrounding the master ownership, what country it was recorded in and with regards to the citizenship of the performers. If you are unsure, speak to someone at the agency collecting on your behalf.

PERFORMANCE: LIVE BROADCAST

Who collects: SOCAN, ASCAP, BMI, SESAC, PRS

This income stream is collected and distributed for a live performance or broadcast of a master in a general public place. Such as a live Venue performance, or a CD being played in your favorite restaurant. This royalty is collected on behalf of writers and publishers.

- Rates are set by the tariff with the copyright board
- Collected and administered by various societies around the world. Each territory has its own society and they all have reciprocal agreements with each other so you only need to sign up to your local society and they will collect worldwide on your behalf
- The royalties collected include the following types of public broadcast
 - Radio, TV, Satellite Radio, Online, Live performance, Shops, Stores, Malls, Elevators, etc., YouTube
 - Remember to submit your live venue performances, this is often lost revenue, as artists forget or do not upload the information to their society
 - Also remember that there are minimum door charges that must be met for live performance in order for that gig to qualify (Canada \$6 min.)
 - When your songs are placed in Film or TV remember to get your cue sheet and upload it to your society, this can also be lost

to get your cue sheet and upload it to your society, this can also be lost revenue, don't forget

PRIVATE COPYING /RENTAL

Who collects: AARC

Fees collected from the private copying levies from the manufacturers and importers of blank sound recording media (DVD's CD-Rs, minidisks, tapes etc.) are paid out to Master Owners and Lead Performers.

PRIVATE COPYING / BLANK TAPE LEVY

Who collects: SOCAN or CMRRA

Music sharing and Home taping has been around for some time now, and it started with cassettes and moved on to recordable blank CD's and DVD's. The Blank Tape Levy Tariff was introduced to have the royalty embedded into the sale of these products, since the policing of the home taping would have been virtually impossible to monitor.

- Private Copying royalty is built in to the price of a blank CD or DVD. It is collected by Resound in Canada and AARC in the US, and distributed to master and copyright owners.
- The calculation is based on sales and airplay, so even if you have not released product to retail, but have had airplay, or visa versa, you will be entitled to receive this royalty again depending on the calculation.

SHEET MUSIC

Who collects: Writer/Publisher

This royalty is rarer in today's indie world in that it is generated from the physical or digital sale of sheet music and lyrics. This type is usually pegged for the classics in any genre.

- A well-known songwriter may receive advances from a publishing company, but typically the contract between the writer and publishing house involves negotiation and distribution of royalties, where royalties are fees that are paid to the publisher and writer based on how often the piece of music is used.
- Sheet music that is collected under a songwriter or performer's name is called a personality folio
 - Frank Sinatra, Barbara Streisand, Anne Murray are examples of the performer who doesn't necessarily write
 - Henri Mancini or Herb Albert would be examples of songwriters that do not perform or record.
 - Matching folios are collections of music that match all the songs on or in a compact disc, movie soundtrack, or musical.
 - Mixed folios are similar, except they combine music by multiple writers under a theme (Best Country, Best songs of 1960, etc.)
 - These royalties are generated by online, book/magazine/newspaper reproductions

SYNCHRONIZATION

Who collects: Writer/Publisher and Master Owner

This royalty is for song placement and can potentially be the most lucrative of all royalties, depending on the

This royalty is for song placement and can potentially be the most lucrative of all royalties, depending on the negotiated terms and placement. It is income derived from the locking of song to picture.

- Synch has two parts to the license to be cleared, one is publishing the other is master clearance.
- Negotiated rate is between publisher/writer and the user
- If the song is not re-recorded by the user then the negotiations will also need to include the master owner.
- The following are the different types of use for this royalty
 - Film, TV, Video, Websites, Commercial, Documentaries, Promo's, Campaigns, Demonstration uses, Sporting events, On line advertising, etc.
- Upfront fees once the song has been cut and locked into the placement. Don't get too caught up in how low or high the upfront fees are, especially if it is in a hit TV show, movie or game. If it gets syndicated internationally your back end residuals will more than make up for it.
- Make sure to get Cue-sheets from the user for any backend residuals for international licensing that may occur. They are supposed to report this to all of the societies in the territories where their work is released, but you can submit a copy to your local society just to make them aware of the work.
- Synchronization licenses for publishing are often at the same rate as the master share of a placement. When negotiating, ask if both sides are "MFN". MFN stands for "Most Favored Nations" which means that all parties involved in the license are getting equal fees. You should always ask for MFN on a project but doesn't mean they have to give it to you, so don't let it be a deal breaker