



by Miro Oballa

TURNING ALPHABET SOUP into Dollar Bills

NRCC, ISRC, SODRAC, AFM, CMRRA. What does it all mean and how are these acronyms relevant to independent artists trying to make sure they receive every royalty stream they are entitled to? This guide will decode the alphabet soup in an effort to make collecting your royalties a little easier.

Part 1: ID Your Sound Recordings – Obtain An ISRC

Before you can keep track of which royalties you'll be able to receive, you have to be able to keep track of your music. International Standard Recording Codes (ISRCs) are unique identifiers permanently encoded into each recording as a digital fingerprint. In Canada, ISRCs are obtained through the AVLA (www.avla.ca). When mastering your music, make sure to give the engineer your ISRCs so he/she can embed the code for each recording on the master CD. ISRCs can be used to identify both sound recordings and music videos for royalty payments and tracking purposes and are especially important when it comes to identifying (and thus being paid for) recorded music online.

Part 2: Performance Rights

The public performance of music, whether on the radio, on television, at a concert, nightclub, or in a mall requires a public performance license. SOCAN (www.socan.ca) is the Canadian performing rights organization (or PRO for short) that grants these performance licenses and collects the royalties paid for such licenses on behalf of its songwriter and music publisher members for the worldwide use of their music. To receive these performance rights royalties, you must become a member of SOCAN (or another PRO elsewhere in the world).

Part 3: Mechanical Royalties & Online Reproductions

Any time someone wants to reproduce a musical composition on a sound carrier (record, tape, CD, etc.), they are required to obtain a mechanical license from the composer or the composer's publisher. In Canada, both the CMRRA (www.cmrra.ca) and SODRAC (www.sodrac.com) collect these mechanical royalties on behalf of their respective members (i.e. music

publishers, songwriters, and composers).

Unlike with SOCAN and public performance rights, you can still collect your share of mechanical royalties without joining up with the CMRRA or SODRAC. The big caveat is that if you are selling your music online through iTunes, mechanical royalties do not apply. Instead you receive what's officially known as the online music services reproduction tariff, similar to a mechanical royalty but applying to digital downloads. The only way you can receive this "digital mechanical" is to be a member of CMRRA or SODRAC and have them collect it on your behalf.

Part 4: Neighbouring Rights

Copyright owners and performers of sound recordings also have the right to be compensated when their performances and recordings are publicly performed. In Canada, the NRCC (www.nrcc.ca) is the licensing collective dedicated to collecting neighbouring rights royalties on behalf of artists and record companies.

The members of the NRCC are not the performers and copyright owners themselves but instead other collectives. While the NRCC goes out and collects the neighbouring rights royalties, the distribution of these royalties back to the performers and copyright owners is done through these member collectives. Performers and copyright owners choose and authorize which NRCC member collective that they want to represent them in obtaining their royalties from the NRCC.

The NRCC members that represent performers are AFM (www.afm.org, www.mnrr.ca), the ACTRA Performers' Rights Society (ACTRA-PRS, www.actra.ca/prs), and ARTISTI (www.uniondesartistes.com). The NRCC members that represent makers are the AVLA (www.avla.ca) and SOPROQ (www.soproq.org).

Part 5: Private Copying Levy

The private copying levy is a tariff that's part of the cost of blank audio-recording media as recognition that these media are commonly used to make private copies of music. Private copying tariffs ensure that songwriters, recording artists, music publishers, and record companies are being compensated for the private copies being made of their works. Similar to neighbour-

rights royalties, this tariff is collected by a single organization, the CPCC (www.cpcc.ca) and distributed through the CPCC's member collectives down to the music rights holders.

Again, if you want to collect your share of the tariff, you must be registered with one or more of the relevant distributing organizations. For songwriters and music publishers, the member collectives are the CMRRA, SOCAN, and SODRAC. For recording artists and performers, the collectives are AFM, ACTRA-PRS, and ARTISTI. For record labels, see AVLA and SOPROQ. While songwriters and publishers are eligible regardless of nationality, recording artists and record companies must be Canadian in order to receive royalty payments. If you, as an indie artist, wear more than one hat (e.g. songwriter, artist, and label), you will have to register with each organization that applies to you.

Part 6: Digital Performance Royalties

SoundExchange (www.soundexchange.com) is a US-based performance rights organization that collects and distributes royalties from non-interactive digital transmissions in the US, such as satellite radio, Internet radio, cable TV music channels, and similar platforms for streaming sound recordings. These digital performance royalties are paid to the artists featured on such recordings and the sound recording copyright owners. Unless you are registered with SoundExchange, you won't receive your share of these royalties; anyone can register regardless of nationality.

A Last Word

The Internet has made the connection between artist and fan more direct. It has also shaken up the traditional models of monetizing recorded music. As the music industry moves to figure out ways to track and ultimately get paid on all these new methods, collective organizations like those aforementioned will play an even greater role in how artists are compensated. Knowing your collectives will be more important than ever.

The views and opinions expressed in this article are not meant to substitute for legal advice, which should be sought in each particular instance.