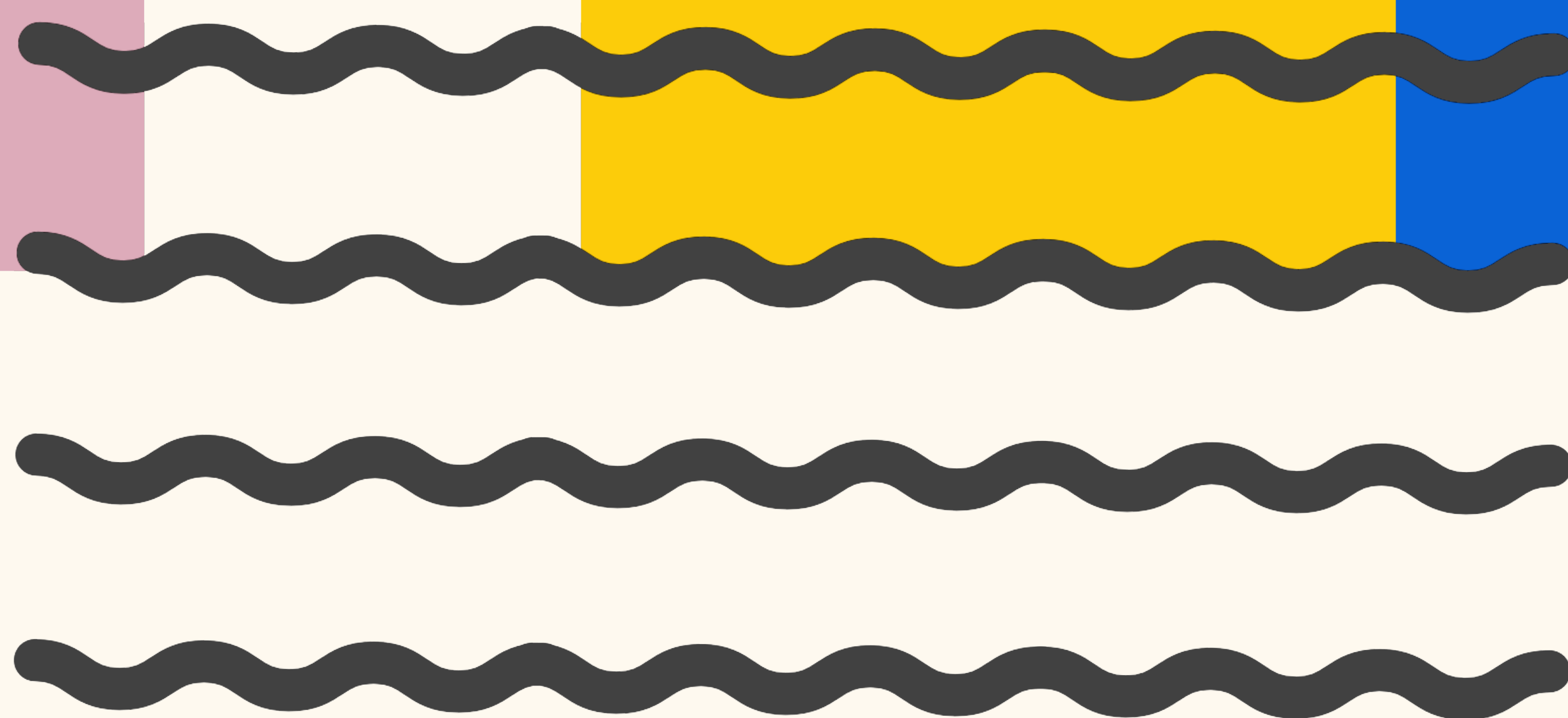


Music Royalties Overview



Masters vs. Compositions

Masters (Recording)

- What you hear when you listen to music on the radio or Spotify
- Generates money for **artists** and **record labels**

Composition (Publishing)

- The underlying songwriting (*think: can be written down*)
- Generates money for **songwriters** and **publishers**

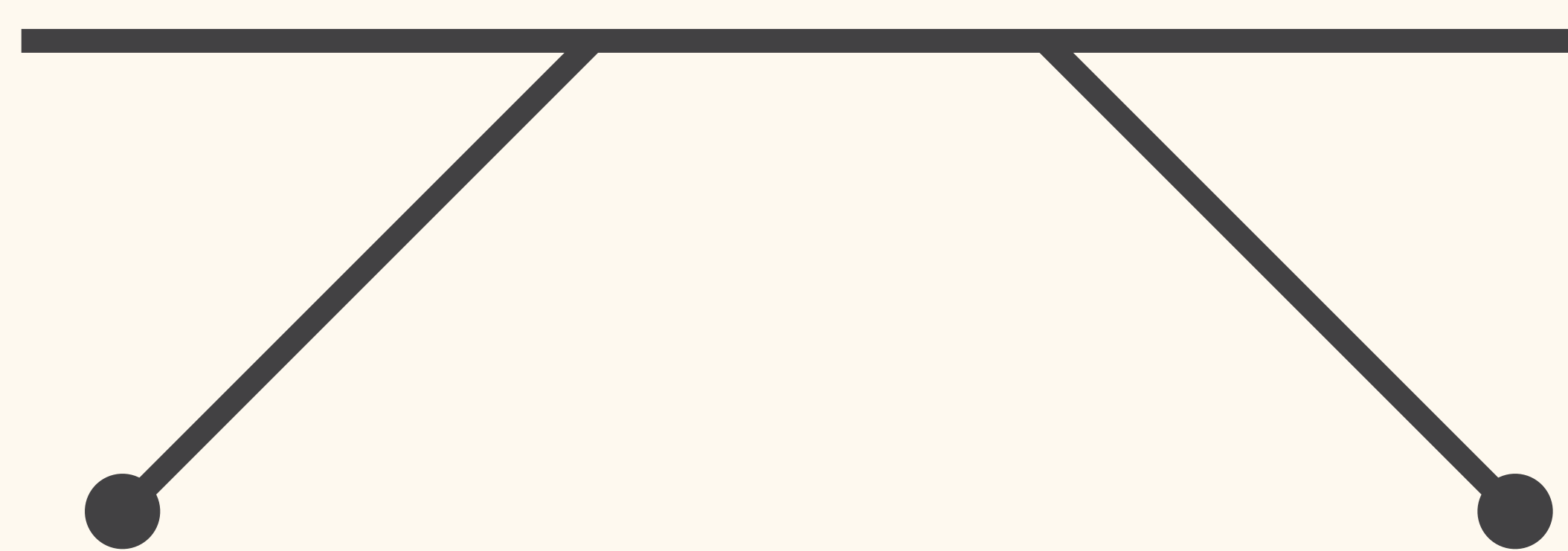
Compositions can have multiple Masters:

FOR EXAMPLE

“Yesterday”

Composition

Written by Paul McCartney



“Yesterday”

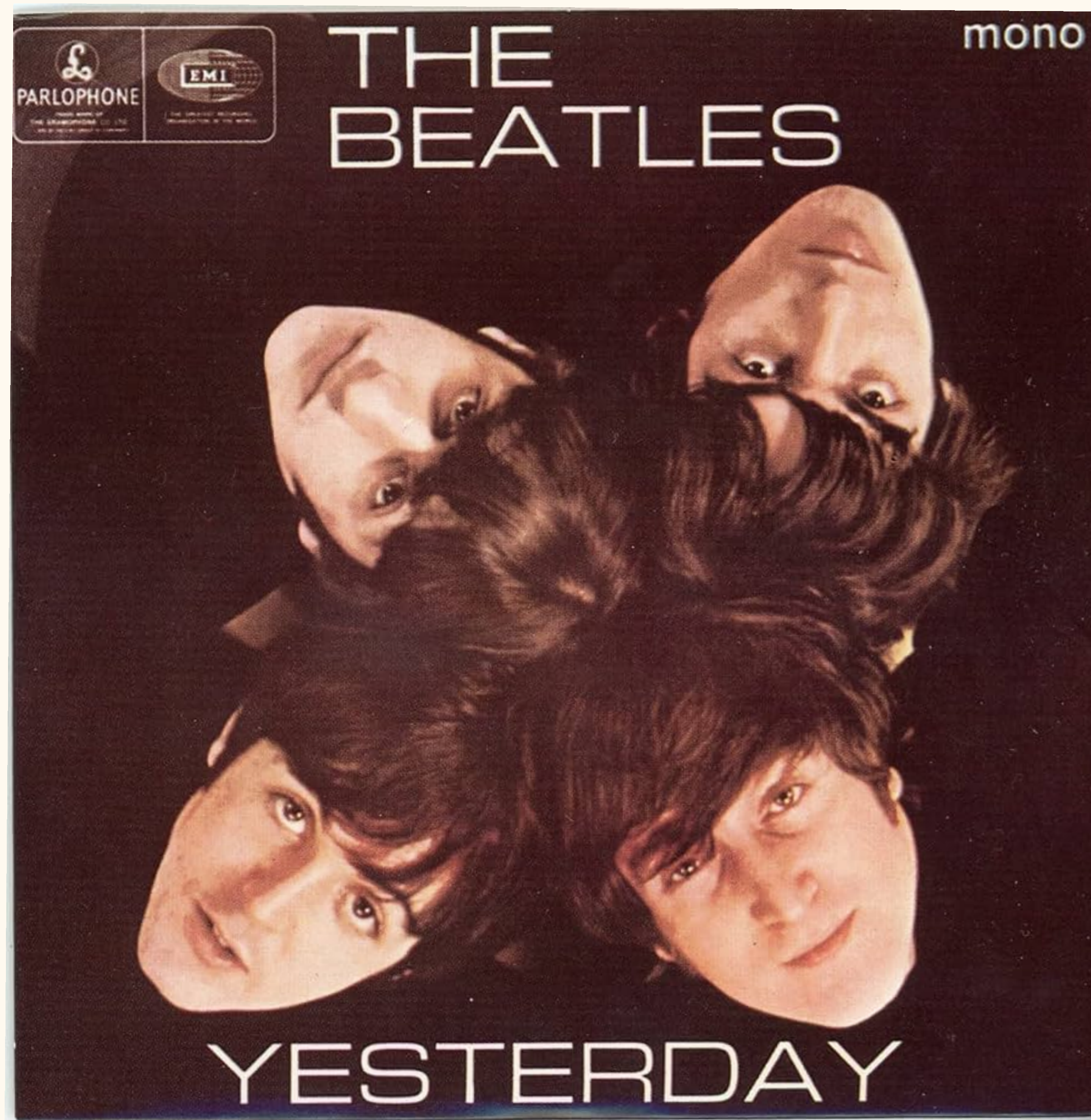
Master

By The Beatles

“Yesterday”

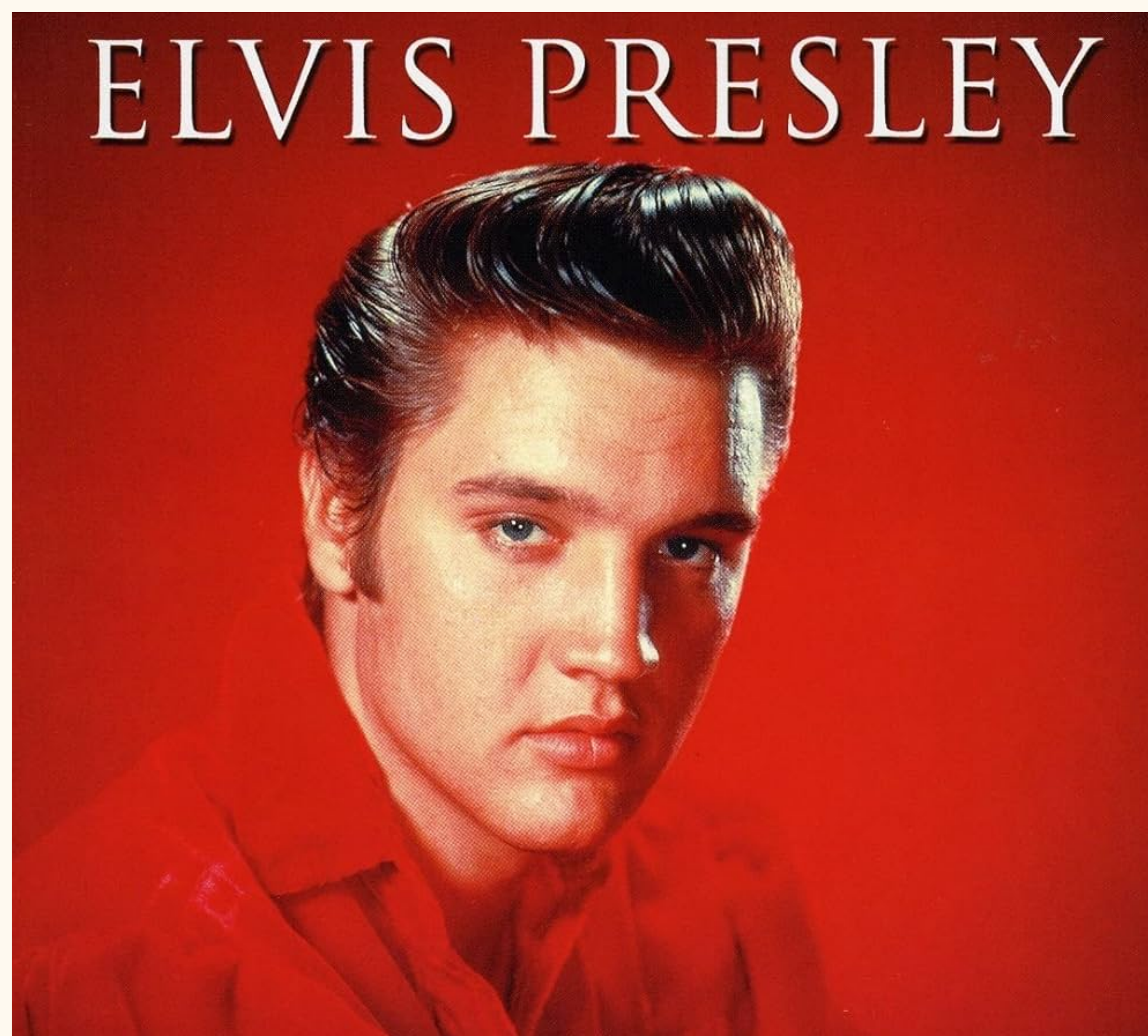
Master

By Elvis Presley



When you play "Yesterday" by **The Beatles:**

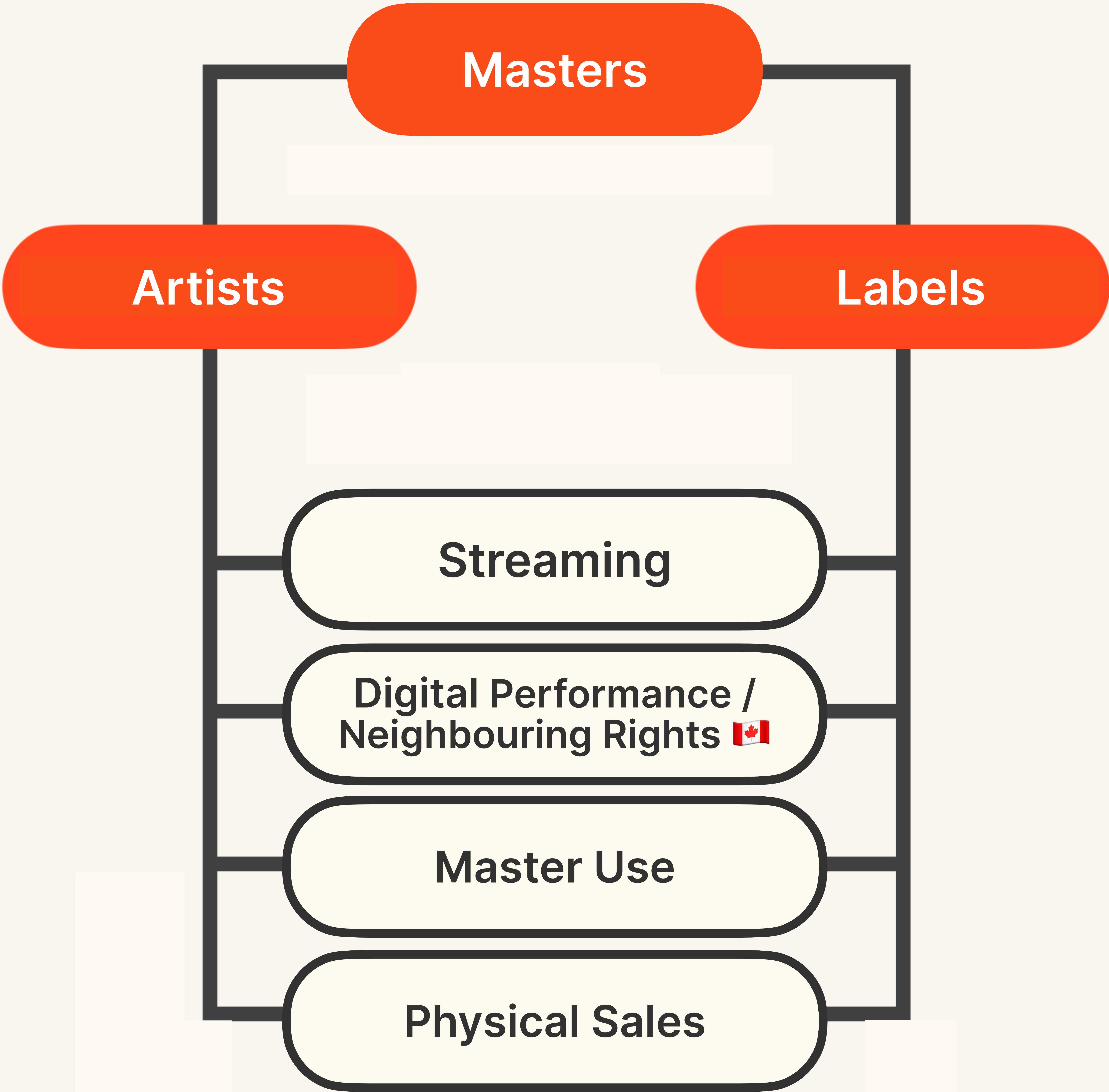
- Paul McCartney and his publisher receive royalties from the **composition**.
- The Beatles and their record label receive royalties from the **sound recording**.

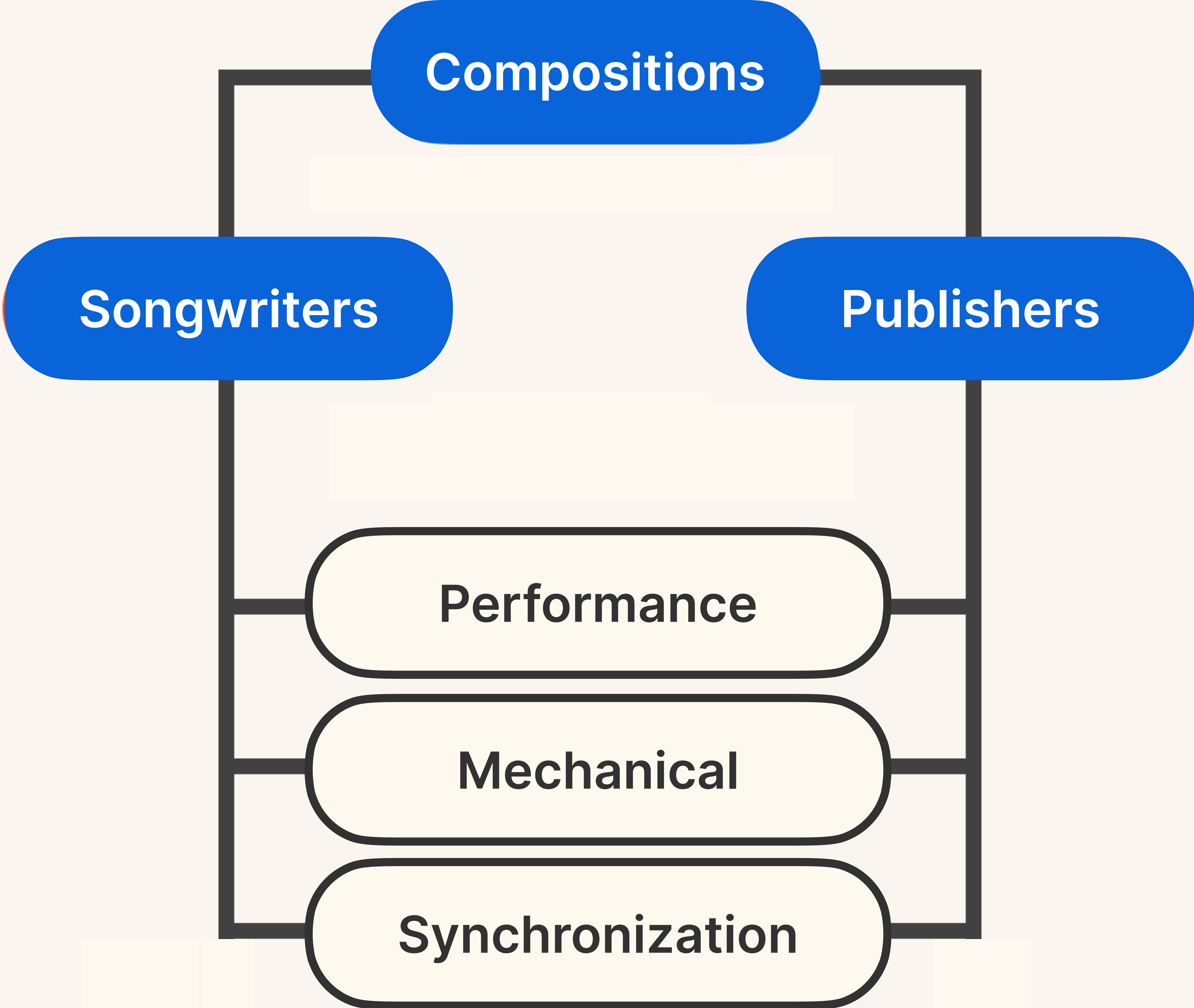


When you play "Yesterday" by **Elvis:**

- Again, Paul McCartney and his publisher receive royalties from the **composition**.
- Elvis' estate and his record label receive royalties from the **master**.

**Compositions
and masters
generate different
royalties.**





STREAMING

Master

Streaming Royalties

Publishing

Performance Royalties

Mechanical Royalties

Master

Streaming Royalties

Digital Service Provider (DSP)

Label or Distributor

Artist

Producer

Some labels are willing to account to producers directly.

Publishing

Performance Royalties

Digital Service Provider (DSP)

PROs (SOCAN, BMI, ASCAP, etc.)

Songwriter

Publisher

50%

“writer’s share”

50%

“publisher’s share”

Publishing

Mechanical Royalties

Some larger publishers have direct deals with DSPs

Digital Service Provider (DSP)

Mechanical Rights Organizations
(MLC, HFA, SOCAN RR, etc.)

Publisher or Administrator

Songwriter

Indie songwriters can collect directly from their MRO.

SYNC

Master

Master Use Licenses

Publishing

Synchronization Licenses
Performance Royalties

Master

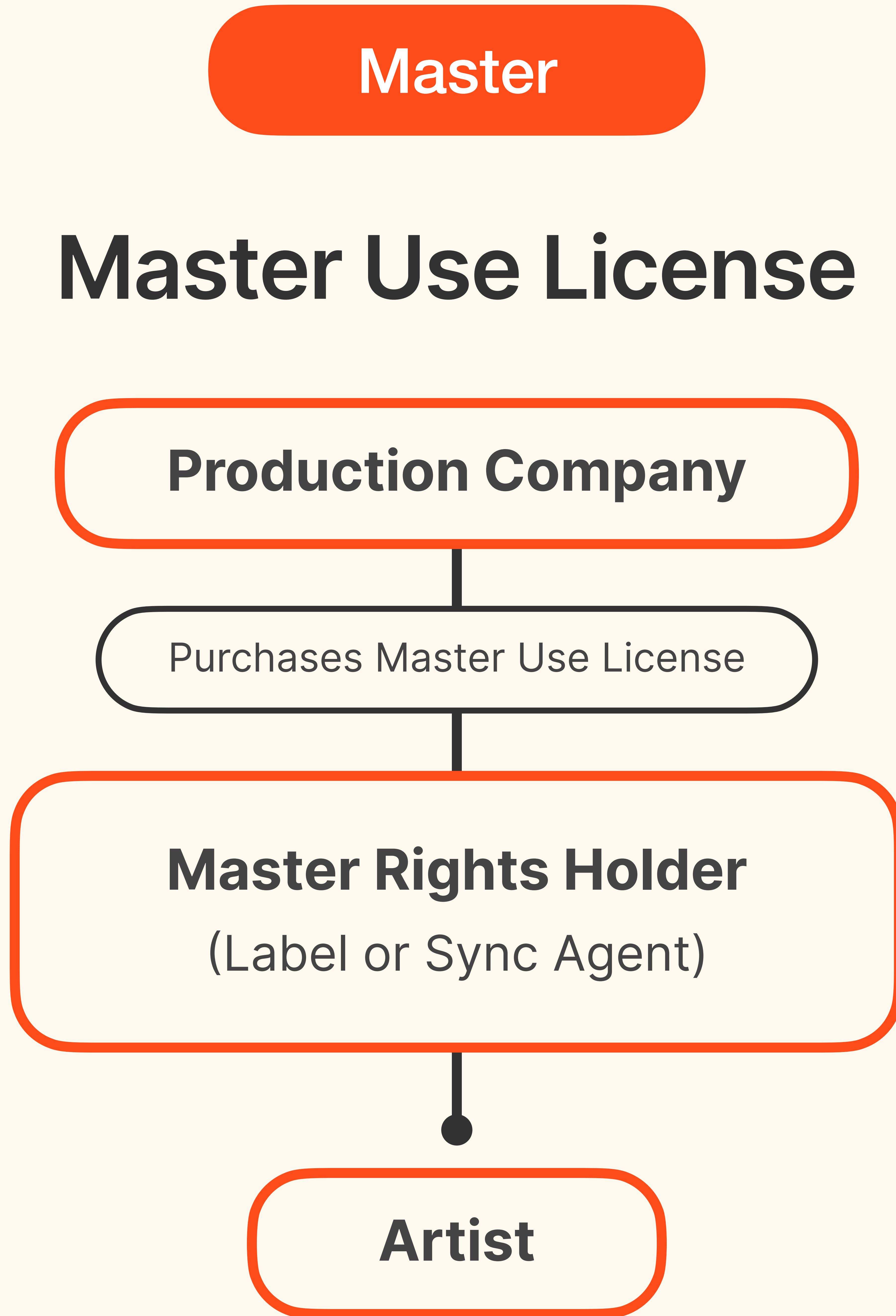
Master Use License

Production Company

Purchases Master Use License

Master Rights Holder
(Label or Sync Agent)

Artist



Publishing

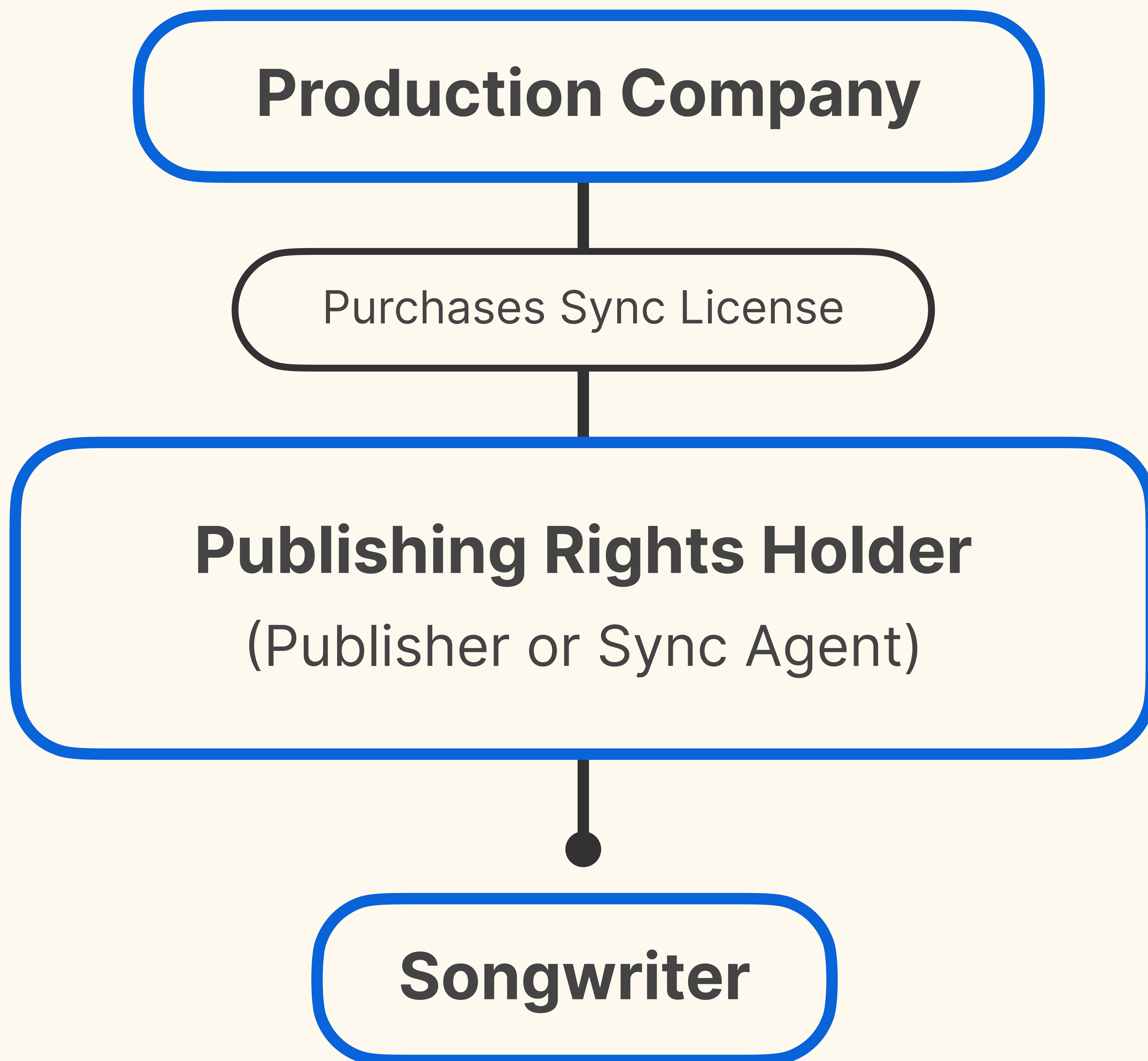
Synchronization License

Production Company

Purchases Sync License

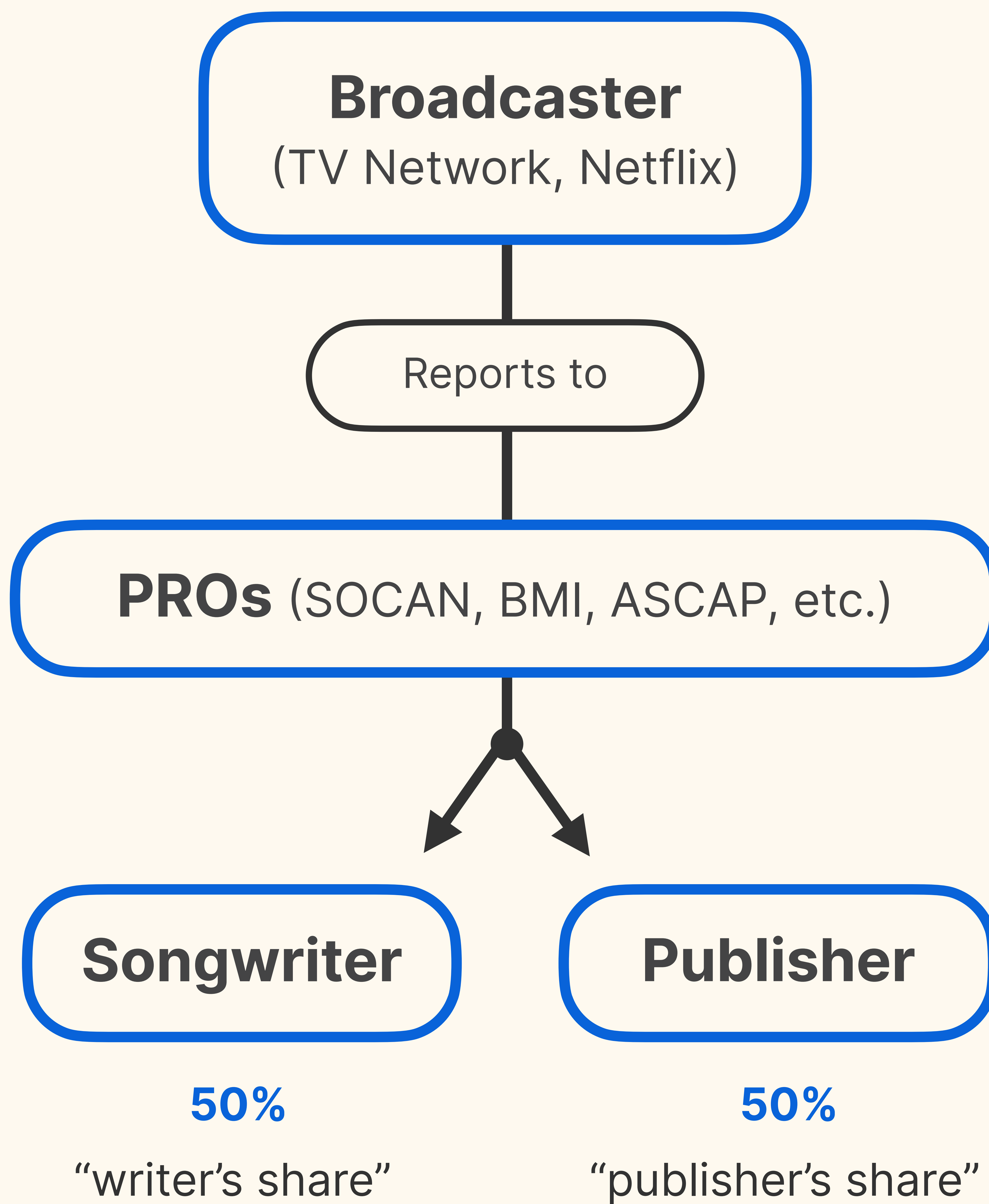
Publishing Rights Holder
(Publisher or Sync Agent)

Songwriter



Publishing

Performance Royalties



AM/FM RADIO

Master



Neighbouring Rights Royalties

Publishing

Performance Royalties

Master



Neighbouring Rights Royalties

In the U.S., AM/FM radio does not generate master royalties!

Master



Neighbouring Rights

Radio Station

Reports to

Re:Sound

Performers
(artist, producer)

50%

“performer’s share”

Rights Holders
(label, indie artist)

50%

“maker’s share”

Publishing

Performance Royalties



DIGITAL RADIO

Master

 Neighbouring Rights /
 Digital Performance Royalties

Publishing

Performance Royalties

Master

 **Neighbouring Rights /**
 **Digital Performance Royalties**

Broadcaster
(Sirius XM, Pandora)

Reports to

**Neighbouring / Performing
Rights Society**
(SoundExchange, Re:Sound)

Performer
(artist, producer)

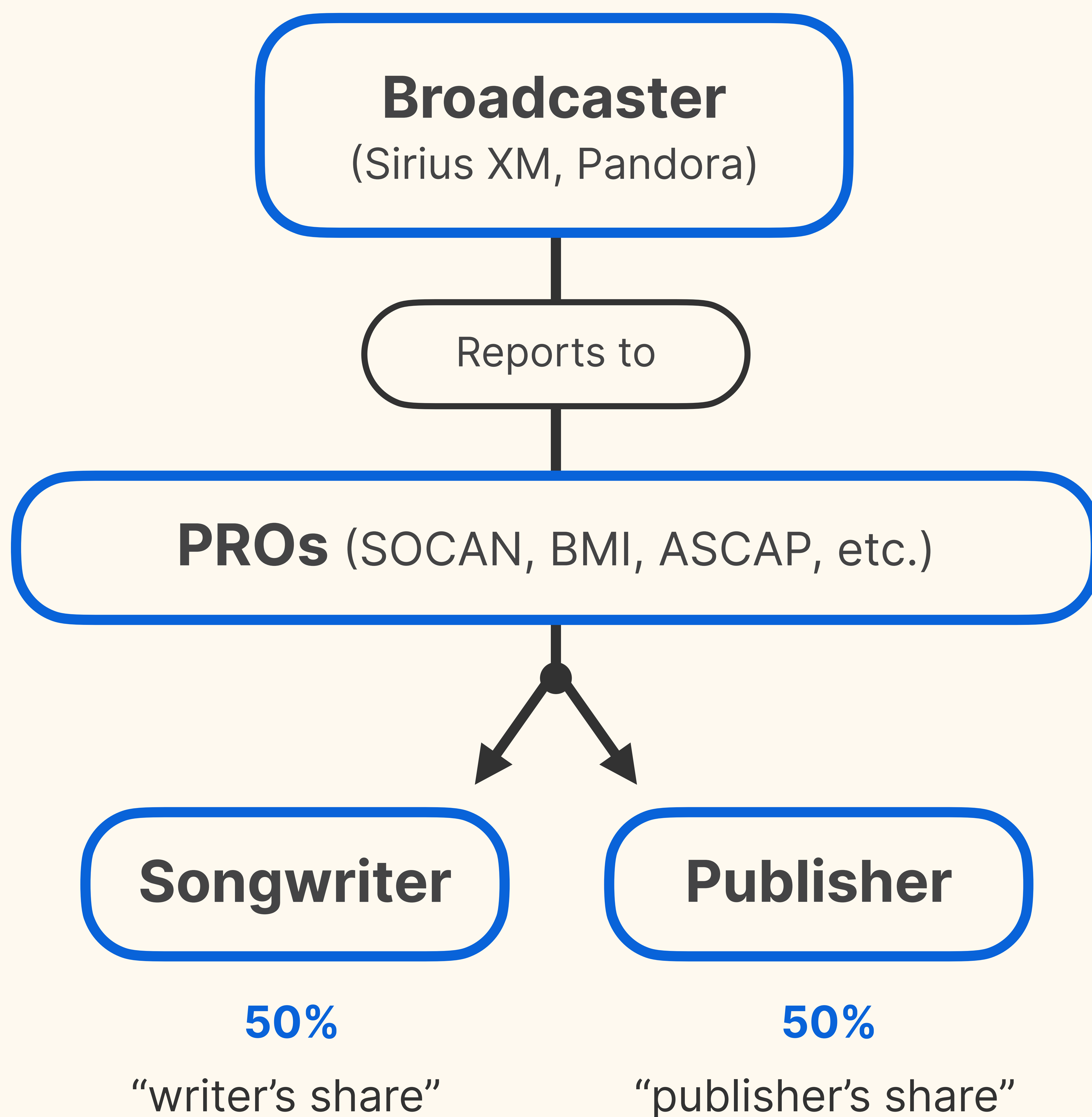
Rights Holders
(label, indie artist)

50%
“performer’s share”

50%
“maker’s share”

Publishing

Performance Royalties



PHYSICAL

Master

Physical Sales Royalties

Publishing

Mechanical Royalties

Master

Physical Sales Royalties

Label

Pays royalties to

Artist



Publishing

Mechanical Royalties

