



How Your Music Makes Money... Internationally

Welcome to SOCAN

SOCAN and its predecessors have been administering the performing rights of Canadian songwriters, composers, lyricists, and music publishers for more than 80 years. That tradition continues today in an organization that is leading the way in the rapidly evolving music industry for more than 80,000 members, and hundreds of thousands of creators and publishers worldwide. SOCAN is governed by a member-elected Board of Directors, made up equally of publishers and writers, and guided by a Passion for Service. In addition to our members, we serve our music-user customers. We offer them access to one of the world's most valuable cultural assets: virtually its entire repertoire of copyright-protected music for communication and public performance.



SOCAN

Society of Composers, Authors and
Music Publishers of Canada

Société canadienne des auteurs,
compositeurs et éditeurs de musique

International Royalties:

A Growing Trend

In 2005, SOCAN distributed \$42-million in royalties received from foreign performing rights organizations (PROs), representing 23 percent of the total royalties distributed, which is clear evidence that Canadian music creators are enjoying record success on the world stage. More than 95 percent of SOCAN members' international earnings are derived from 15 specific performing PROs, and more than 75 percent of the total from the top six: ASCAP and BMI in the U.S., SACEM in France, PRS in the U.K., GEMA in Germany and SIAE in Italy.

2005 International Earnings



- ASCAP / U.S. – \$ 8,040 million **19%**
- SACEM / France – \$ 8,383 million **20%**
- BMI / U.S. – \$ 7,192 million **17%**
- PRS / U.K. – \$ 5,176 million **12%**
- GEMA / Germany – \$ 2,557 million **6%**
- SIAE / Italy – \$ 1,814 million **4%**
- Others **22%**

In 2005, SOCAN's International department processed more than 671,500 international performance records, delivered in excess of 47,100 film and TV cue sheets to international PROs and over 5,400 notifications of live performances and new releases.



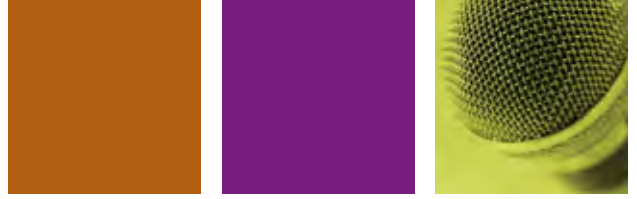
We are the world

It's a wide, wide world, and we at SOCAN, through reciprocal agreements with affiliated PROs around the globe, are passionate about ensuring that we collect and distribute the maximum available revenue to you, our members. At this time, we have agreements with more than 75 affiliated PROs, which are busy licensing the performances of your works in their territories. Some of those same organizations also collect private-copying levies on behalf of Canadian and other songwriters, composers, lyricists and music publishers whose works are actively exploited in those territories. Unlike many PROs, SOCAN does not charge an administrative fee on incoming international distributions: you are paid what we receive from our affiliated PROs. It is important to note that foreign currency is converted at the rate in effect on the date indicated on the bank-transfer notification from the PRO sending the money. Some PROs distribute international royalties to SOCAN four times annually, others account only once per year or with varying frequency. In some cases, funds transferred to SOCAN by affiliated PROs are subject to cultural deductions or withholding taxes in the country of origin, over which SOCAN, of course, has no control.

Who does what?

SOCAN's International department is charged with all tasks relating to the distribution of international royalties to members. Distribution data are received in various formats, often requiring SOCAN's International department to carry out additional work to ensure your royalties are paid as accurately and as completely as possible. Every transaction is reviewed and compared to information on members and their repertoire as detailed in SOCAN's database. In some cases, SOCAN conducts audits of its affiliated PROs.

Each PRO has its own unique survey methodologies, its own distribution rules and procedures, and is bound by the copyright laws (including duration of copyright protection) of its country — sometimes influenced by local political and economic conditions. To view a sampling of the performance types licensed by other PROs around the world, including how they collect the related performance information, go to "[Earning Royalties](#)" on our Website. In some cases, tariffs covering certain types of music usage have been approved in other territories but not in Canada — and vice versa. In effect, each territory is an island unto itself, while still obligated to follow certain prescribed policies and standards as signatories to international copyright conventions (such as the Berne and Universal Copyright Conventions, both of which Canada has signed) and as members of the International Confederation of Societies of Authors and Composers (CISAC), the Paris-based umbrella organization whose 217 members include PROs such as SOCAN, as well as other collectives (a complete list, with hyperlinks to other websites, is available at www.socan.ca — see "[SOCAN Around the World](#)" under "Resource & Education").



How we do it

SOCAN enjoys excellent working relationships with its international affiliated PROs and we are constantly in touch in order to proactively pursue claims on behalf of SOCAN members. We send information on new Canadian CD releases, as well as live performance notifications and cue sheets for internationally active films and TV shows, to the appropriate international PROs, to ensure that each is fully aware of upcoming performances of your works in their territories. We also manage and maintain international agreements involving our members to ensure that the correct publishers/sub-publishers are compensated.

PROs obtain information on SOCAN repertoire through various internationally accessible databases, such as CIS Net (operated by CISAC on behalf of its member organizations), FastTrack, AVI (Audio Visual Index) and WID (Works Identification Database), which are updated on a regular basis. SOCAN members themselves are kept up to date through online international trending reports and pre- and post-distribution information, now available in the member-secure area of www.socan.ca and due to be expanded in the coming months and years. Members can select a year, or a range of years, dating back to 2002, and request a report that will summarize their earnings by PRO, category of performance royalty and royalty amount.

Who pays what?

Some PROs provide complete details on performances included in their international distributions to SOCAN, such as number and type (radio, broadcast or cable TV, concert) of performances. Others provide very little detail to complement the funds transferred to SOCAN. Some calculate performance royalties according to a census (both ASCAP and BMI in the U.S., for example, limit their concert distributions to the 200 top-grossing concert tours), while others conduct scientifically devised samples. In addition, some foreign currencies are subject to unpredictable fluctuations. As a result, SOCAN is unable to determine in advance the amounts members can expect to receive for specific types of international performances. Payments from international PROs to SOCAN are received via bank transfers. SOCAN members will find a chart in the members' secure section at www.socan.ca, summarizing dozens of international PROs with respect to distribution frequency and types of distributions covered (see "International Royalty Information" under "Member Support/FAQ").





When do you get your money?

SOCAN distributes international royalties to its members on a quarterly basis, coinciding with its distribution of royalties from domestic performances. Each international royalty distribution includes moneys received by SOCAN from international PROs that are processed up to the date of SOCAN's cut-off for that distribution — generally one month before distribution payments. In some cases, payments will include performances from the previous year, in others royalties may be applicable to performances dating back two, three or four years, depending on the territories and the distribution practices of the PROs concerned.

How do you know your royalty payment is accurate?

SOCAN is taking a proactive approach, benchmarking ourselves against other PROs, both to establish best practices, and to determine opportunities to maximize international revenues. This includes analysis of other top PROs to gain a better understanding of their practices and the nature of royalties collected and development of new audit and control processes to ensure accuracy and completeness of royalty payments received from them.

There's more

SOCAN is in the process of assessing ways to better monitor your performances abroad, in order to ensure accurate payments to you. CISAC is at work on establishing Common Royalty Distribution Standards, scheduled for implementation in 2008, which will standardize the level of royalty distribution detail that is sent and received by PROs, allowing for better details on international performances. For royalties received from some PROs, this will also allow us to start providing details on new and emerging media performances such as those related to the Internet, mobile ringtones, and satellite radio.

Contact Us

We would be happy to discuss our operations and our *Passion for Service* in more detail. Whether you are a music creator, a music publisher, or a music user, you will discover that SOCAN can be an invaluable partner in performance.

Please do not hesitate to contact us by e-mail, phone or fax with your questions and comments. For immediate information, be sure to visit our Website at www.socan.ca, or call 1-866-307-6226.

1-866-307-6226 or www.socan.ca

WWW.SOCAN.CA



what's right for music
la musique a ses droits



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RECYCLABLE

