

# Royalty Collection Agencies



## Starter

### Consider:

- ★ What you might want to do in the future?
- ★ Why do we work in the music industry?
- ★ What would be helpful to know in the future when working?

What do you want to learn from this Music Industry unit?  
Why ?

Explain why we need to understand money matters in the music industry:

As a performer or composer,  
for what reasons would you want to earn money for your work?

which....

when....

why....

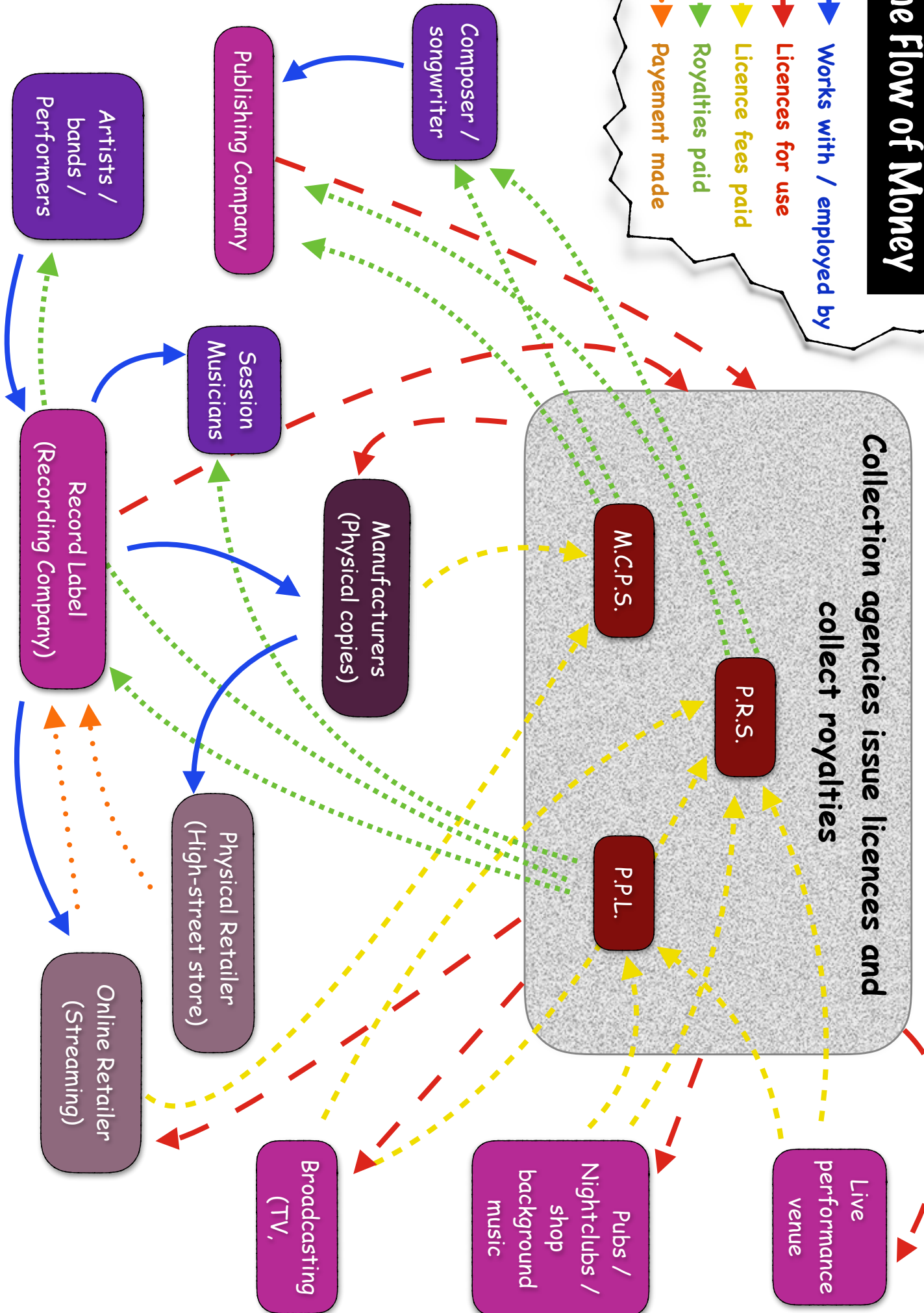
how....

what....

who....

# The Flow of Money

- Works with / employed by
- Licences for use
- Licence fees paid
- Royalties paid
- Payment made



The diagram on the previous page shows how money flows within the music industry when music is played or used. Later in the unit we will learn about employment patterns and contracts for salaries (continual payment from an employer). At this stage we can consider the payments made within the music industry to fall under two categories:

★ **One off payment:** a single payment made for a product or service  
- usually **paid upfront**

★ **Royalties**

### Scenario 1

You are a new and upcoming composer / songwriter. You currently work freelance, meaning you self-publish your compositions and therefore are not part of a publishing company. You have put a rough version of your composition on Soundcloud. The famous band '*Bad Direction*' hear your song online and have offered you the sum of £5000 to use your song exclusively (ie: own the rights of the song). This is fantastic you feel since you are new to songwriting and decide to accept the offer. *Bad Direction* record and release the song which goes to number one across the world selling 50 millions copies. As the original songwriter, you now feel that you should have been paid through **royalties**.

★ **What are royalties?** .....

.....

★ **Why is it a preferred method of payment for composers?** .....

.....

**Extensions:** Discuss the following questions and summarise your points below:

- ★ What benefits are there of a composer using online sites like Soundcloud to self publish?
- ★ In terms of payment, what would a publishing company have sorted for the composer?

**Task**

Use the diagram of 'the flow of money' to describe, explain and compare how the different Royalty Collection Agencies work. Write this in the corresponding box for each agency. Consider:

- ★ What does each agency do?
- ★ Who does each collection agency work for?
- ★ Where do they collect the royalties from?
- ★ Why are licences required?

**\*\*\*There are 3 different royalty collection agencies you need to know. You must learn both the acronyms (abbreviation) and the full names for each \*\*\***

<u>Royalty Collection Agency</u>	<u>Describe, Explain, Compare</u>
<p style="text-align: center;"><b><u>P.R.S</u></b> <b>Performing Rights Society</b></p>	
<p style="text-align: center;"><b><u>M.C.P.S.</u></b> <b>Mechanical Copyright Protection Society</b></p>	
<p style="text-align: center;"><b><u>P.P.L.</u></b> <b>Phonographic Performance Limited</b></p>	

## Task

## 'Explain question' practice

In response to the given question, I have given a point / feature. You must complete the question by explaining the point I have written:

Explain question require you to state a point or feature relevant to the question and then explain that same point. i.e.: what are the consequences of that point. Use phrases such as:

'Therefore....'  
'As a consequence ....'  
'This means that...'  
'The result of this is....'

Q. DJ Tasha performs regularly in a local nightclub. She mixes a number of samples into her dance remixes. Explain two ways she will have to work with Royalty Collection Agencies:

**4 marks**

1. She will have to have a licence from the P.P.L .....

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2. She will have to pay licence fees to the P.R.S .....

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## Exam Questions

## Royalty Collection Agencies

The following are adapted question from previous exam papers for Royalty Collection Agencies:

Q1. State **one** way in which performers, composers and producers can continue to earn money from their music after the date of publication.

**1 mark**

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**Q2.** To which organisation would a live performance venue typically pay annual fees?

- A** Musicians' Union
- B** M.C.P.S.
- C** P.R.S.
- D** Composer

**1 mark**

**Q3.** What does MCPS stand for?

- A** Manual Copyright Protection Society
- B** Musical Copyright Protection Society
- C** Manufacturing Copyright Protection Society
- D** Mechanical Copyright Protection Society

**1 mark**

**Q4.** A composer can generate royalty payments from having music played on radio, film or TV.

**4 marks**

Identify **four** other ways that royalty payments can be generated for composer.

1. ....

2. ....

3. ....

## Exam Questions

## Royalty Collection Agencies

**Q5.** Places where recorded music is played require licences. Which of the following is a licence they require?

**1 mark**

- A** MCPS
- B** PPL
- C** MPG
- D** PLASA

**Q6.** Name the organisation responsible for collection money each time a song is downloaded or streamed online.

**1 mark**

.....

.....

**Q7.** Mel runs a local entertainment agency. She has been asked to organise and book the musical entertainment for charity gala ball at the local town hall. The charity has decided to have both a live band and a live DJ who mixes from recorded pop music for dancing.

**(a)** Identify **two** licences that Mel will need to check are in place at the venue.

**2 marks**

1. ....

2. ....

**(b)** Explain **one** reason why Mel needs to ensure these licenses are in place.

**2 marks**

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.....

.....

## Scenario 2

As a producer you are responsible for the creative arrangement of a song. You have chosen to use samples of "Bittersweet Symphony" by The Verve to give your arrangement a more popular feel. However, the recording company the band is signed to has refused to give you permission to use the recordings of their band. The publishing company, on behalf of the song's composer has given you permission to use the their song.

Read the following webpage to help you answer questions about the scenario:

<http://www.bbc.co.uk/programmes/profiles/1kk9DjqdJGCwJdCJZ7bqGtG/sampling>

Also find by searching 'BBC introducing', Click **advice** > **Your money and rights** > **Sampling**

★ What would you need to do to be allowed to use samples from "Bittersweet Symphony?"

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★ Why would you have to do this? .....

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★ Explain the advantages this would have? .....

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★ Suggest a possible disadvantage of doing this? .....

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