

THE MODERN GUIDE TO MUSIC PUBLISHING



SONGTRUST

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**MAKING
THE MOST
OF TODAY'S
MUSIC
INDUSTRY**

IT'S

a story as old
as time...

Let's say you're in the studio writing a would-be hit with a host of new collaborators. Since they dominate the charts these days, the song is more of a manic cross between hip-hop, rock, and electronic music than a typical pop tune.

*Tackling so many different types of music in one track means there's a lot of relative strangers in the room. Not just a singer or a rapper or another **songwriter / producer**; more like all of the above and a manager or two. And hey, how about a few vocal friends of said rapper or singer who also happen to be musicians?*

*What starts out as a simple jam session eventually leads to a proper song. And not just any old number, either. This one's full of ideas and potential hooks. Once a rough take is wrapped, everyone feels electric. They're pretty convinced you're onto something — the start of something truly new. Could this be the **composition** you've been working towards writing for years? Could it be the song that becomes your breakthrough?*

It sure is starting to sound like it...

W

the first time ever at \$1.2 billion, making their overall market share 5.1%. That may not sound like much, but we're talking about an undeniable rise of DIY-or-die artists here, and a revenue increase of 34.1% from 2019. Not. Too. Shabby. Or as MIDiA analyst Mark Mulligan put it, "Them recorded music industry is changing, and it is changing fast."

One indisputable example of this evolution is the sheer volume of songs that flood **Digital Service Providers** (DSPs) on a daily basis. It's as if every record store imaginable was suddenly on Spotify, Apple Music, and YouTube, leaving songwriters and musicians struggling to make sense of all the revenue streams and **royalties** they could be collecting at any given moment.

**"THE RECORDED
MUSIC INDUSTRY
IS CHANGING,
AND IT IS
CHANGING
FAST."**

- MARK MULLIGAN

hile concerts may have come to a screeching halt in 2020 due to mounting concerns over COVID-19, MIDiA's [annual report](#) on global recorded music revenues was actually quite positive — some might even say spectacular — on several levels.

For one thing, the music industry enjoyed its sixth straight year of relative growth, a 7% increase that added up to around \$23.1 billion. Streaming numbers were particularly strong, totaling \$14.2 billion (19.6% higher than 2019) and touting a terrific turnout from independent artists and labels that cornered 31.5% of the market.

Even more encouraging was this milestone: Indie musicians shattering the 10-figure ceiling for

Well, guess what? Songtrust is here to help you climb (and more importantly, monetize!) this seemingly insurmountable mountain, starting with a simple question: What *is* a songwriter anyway?

Any pro who pens lyrics and/or composes melodies can usually claim the writer's share of a song, or at the very least, a percentage of it. This standard applies to more than just pop stars and singers who write their own work — Sia, Billie Eilish, Ed Sheeran, etc. In-demand producers often earn songwriting credits even if they don't actually *perform* the music. Things have been that way for a while now, from Phil Spector and Quincy Jones to Jack Antonoff and Linda Perry.

Figuring out how you fit into the winners-take-all world of **music publishing** may sound complex on paper, but it's all within your reach if you have the right tools. The following guide is a perfect starting point. A step-by-step breakdown of how to make the most of the music industry, it includes chapters on composition, publishing and song rights; the ins and outs of **pay sources** and licensing; and both macro and micro views of what it means to be a songwriter when the playing field is as level as it's ever been.

No doubt about it; we're in a pivotal transition period led by omnipresent streaming outlets and a growing number of global opportunities that simply didn't exist decades ago. We've tackled all of these topics for you because Songtrust is more than just a rights management platform or publishing administrator. We're a tight-knit team of community-minded experts who support, educate, and encourage music creators, representatives, and businesses. Helping you succeed is why we go to work every day.

Our mission is to have you leave this guide with as many actionable resources and attainable goals as possible. Not to mention a better understanding of the business itself so that you can take full control of your career for the foreseeable future.

Don't fret if you feel stuck along the way, either. Our guide also includes an extensive glossary that'll clear up any confusion. If you see any words highlighted within the text, you'll find them explained in detail at the end of the book.

Shall we get started?



**DECODING A
SONG'S TWO
DISTINCT
COPYRIGHTS**

ONCE

*everyone's "team" hears about yesterday's session, talk quickly turns to capturing lightning in a bottle before it's too late. A record label you've worked with before has committed to quick-releasing a slightly refined final recording and giving one of the track's co-stars (a rising SoundCloud rapper) an **advance** that could easily pay for their next two face tattoos and several other lifestyle upgrades.*

*While they've certainly earned it — the track's hook is as hypnotic as a watch-swinging therapist — you're starting to worry about who really did what here. And what is this business you heard about the other day: something about how every song has two sides when it comes to **copyrights**? There's not much of a difference between a recording and a composition, right? If only things were that simple....*

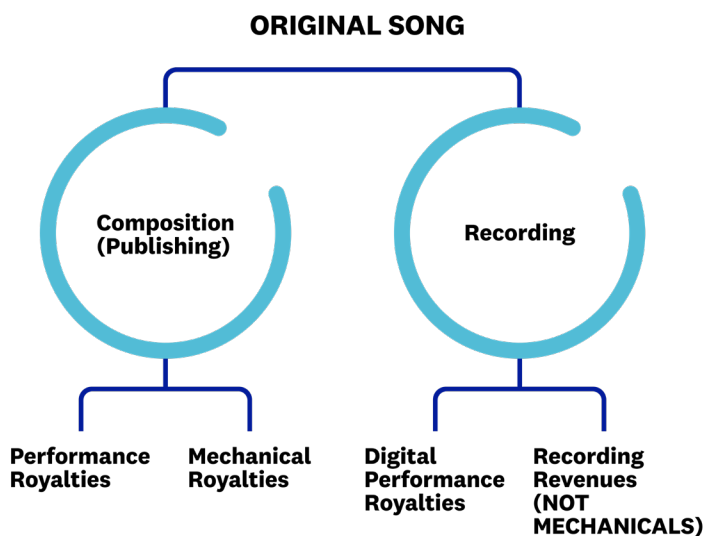
W

hen Mick Jagger and Keith Richards wrote “(I Can’t Get No) Satisfaction” in 1965, they created an instant classic that will most likely outlive not just The Rolling Stones, but humanity itself. The track is so timeless, in fact, that it’s been covered by Cat Power, DEVO, The Residents, Otis Redding, several adult film stars, Sly & Robbie, The Supremes, Alvin and the Chipmunks, Aretha Franklin, and Britney Spears.

Many of these recordings sound nothing like the Stones — a distinction that helps demonstrate the difference between a song’s two unique copyrights, or “halves.” The first half is the composition: the original idea of a song put into a tangible form. For instance, the vampy Glimmer Twins

version of “Satisfaction” was first cut straight to tape at Chess Studios in Chicago. The band then lip-synched over the composition on a short-lived variety show called *Shindig!*, giving American TV audiences a glimpse of their pyrotechnic creative process.

A composition doesn’t have to be an epoch-making event, of course. It can also be as simple as a smartphone recording or lyrics and chords that were scribbled in a notebook late at night. Once you’ve captured or recorded a song — whether it’s on paper or in GarageBand — you are considered its rightsholder by default.



The other inherent copyright, or half, every song has is its one-of-a-kind recording. In the case of another heavily-covered hit, Gnarl Barkley’s “Crazy,” the original version, with its one-take vocal recording and group member Danger Mouse’s production, was an immediate global hit upon its release in 2006 - a song of the summer *par excellence*. Performers from every genre have covered the song - from OneRepublic, to Pink, to Prince, to the Ukelele Orchestra of Great Britain. Each of those versions constitutes a different recording of the same original song.

With any song - from a generation-defining perennial like “Satisfaction” or Outkast’s “Hey Ya,” to an unexpected megahit like “Crazy” or Billie Eilish’s viral “ocean eyes,” to the newest single by an as-yet-unknown artist - there can be only one composition, but any number of recordings. These recordings can include live cuts, alternate takes, and cover versions by performing artists who put their own personal stamp on the original composition (for “Crazy,” as discussed, that’s everyone from legends like The Artist to...well, the Ukelele Orchestra of Great Britain).

FROM RIGHTS TO ROYALTIES

Before we dive a little deeper into the differences between a song’s composition and recording, we’d like to clarify what a “musical copyright” means. A common misconception is that a songwriter doesn’t actually own their work until they’ve registered it with the U.S. Copyright Office. In reality, a song is your **intellectual property** from the moment it’s fixed in a tangible form — anything from a rough demo to loosely written lyrics.

This means you automatically own that work and retain the exclusive rights to its reproduction, **distribution**, and performance. You can also grant or deny those rights to outside parties; when the work is shared and consumed by the public, the song’s recording will begin to generate royalties.



WHAT HAPPENS WHEN YOU WRITE A SONG?

Song = fixed in a tangible form
You = own the copyright and are the song’s publisher



WHAT RIGHTS DO YOU GET?

Reproduce the work
Distribute copies of the work
Perform the work publicly
Make a derivative work
Display the work publicly



WHAT ROYALTIES ARE GENERATED?

Mechanical
Performance
Micro-Sync

Composition rights are defined by such idiosyncratic characteristics as a song’s lyrics, beat, melody, and structure. They belong to the song’s writer(s) and publisher(s), who then collect performance and **mechanical royalties** from the composition.

As for what each of these royalty types entail, mechanical royalties are generated whenever your song is reproduced in any form, whether it’s a physical format like a CD or LP, a digital download, or an on-demand stream (e.g., Apple Music or Spotify). **Performance royalties** are generated anytime your song is performed publicly, whether it’s a live show, radio broadcast, or the loud speakers at a booming lifestyle store.

One thing to keep in mind: on-demand streaming earns performance **and** mechanical royalties, as it’s considered both a performance and a reproduction. Also of note: Performance royalties are collected and paid out by Performing Rights Organizations (PROs) in North America (e.g., ASCAP, BMI, SESAC, and SOCAN) and Collective Management Organizations (CMOs) in countries like Brazil (Abramus) Germany (GEMA), France (SACEM), and Switzerland (SUISA). We’ll dig further into these two types of royalties later on.

Recording rights are quite literal compared to composition rights; they refer to a very specific version of a song. As we alluded to earlier, a single composition can have countless unique recordings that vary considerably in terms of their style and sound. They can even be controlled by different labels and/or artists. For example, DEVO’s jittery rendition of “Satisfaction” was released

by Warner Bros. after they personally received Jagger’s approval (Not because DEVO needed his blessing; because the label insisted on it.).

Whoever controls the final recording — whether it’s a musician self-releasing their work or a major record label like Warner Bros. — contacts a distributor to ensure it’s placed in digital stores and earning royalties from everyday streams and downloads. Artists and labels will also be paid for physical copies sold, whether it’s directly through their website, on tour at a merch table, or via a distributor who sells and ships physical copies to retailers.

One royalty type that’s often misunderstood and owed to recording rights owners is digital performance royalties, which are collected by SoundExchange in the U.S. They are paid to the recording owner and performing artist (not the publisher or songwriter), and earned whenever a song is played on a non-interactive streaming service like Pandora or a satellite radio network like SiriusXM.


Similar in spirit are **neighbouring rights royalties**. They relate to the **public performance** of a specific recording outside the U.S., including music played in nightclubs, restaurants, coffee shops, and TV and terrestrial radio broadcasts. Anywhere that is not a private home, really. (The term “neighbouring” refers to the fact that these rights “neighbour” — i.e., are similar to — the compositional rights.) While in the U.S., *songwriters* are paid when their songs are played on the radio, recording owners — whether record labels or the artists themselves -- are not. This is based on the historical relationship of cooperation between record labels and the radio stations who were once by far the primary promotional engine for new music, but ultimately it means less money for recording owners and performing artists.



**ANYONE WHO
CREATES ORIGINAL
MUSIC IS A
SONGWRITER
AND EVERY
SONGWRITER
IS OWED ROYALTIES
WHEN THEIR MUSIC
IS USED.**

Here’s something you need to remember no matter where you live: **Anyone who creates original music is a songwriter, and every songwriter is owed royalties when their music is used.** It doesn’t matter what genre the music is, or whether the songwriter’s job description is composer, producer, band member, or DJ. Anyone who contributed to an original composition is owed royalty payments when their music is used.

Sounds pretty simple, right? And it is, generally speaking, but a considerable amount of confusion arises when you get into exactly *how* songwriting royalties are collected and paid out to songwriters. As long as you remember that songs are split into two parts that earn money in different ways, you’re already on your way to collecting everything your songs earn.



**WHY SPLIT
SHEETS ARE
A CRUCIAL
PART OF THE
CREATIVE
PROCESS**

THINGS

are starting to get a little... tense. Mostly because everyone went into this session with a we're-all-friends-here mentality rather than the cold, hard reality of keeping things abundantly clear with a contract.

That's too bad, because you're not sure what to do now. Should you let the loudest voices in the room lead the way and hope for the best, or should everyone just sit down and hash out the contract you should have signed before anyone pressed "record"?

*Lucky for all of you, there's a levelheaded **co-writer** in the booth who's been in this position before. She suggests a simple solution: **split sheets**. You smile and think, 'Of course — split sheets! Why didn't I think of that?'*

Now, the hard part: deciding who really did what on this song. Better brew up a big ol' pot of coffee. It's gonna be a long night...

W

hile the act of writing songs with another musician, producer, or arranger has been around since the Rodgers and Hammerstein era, there's no denying how seamless international sessions have gotten with virtual platforms like Ableton Live. They're executed so easily, in fact, that co-writers forget to establish who owns what percentage of the song and the publishing rights that lead to publishing *royalties*.

This royalty term breakdown should be established as early in the creative process as possible via a split sheet, a shared document that clearly states the level of ownership each songwriter has in a copyrighted work.

This ownership is determined by a mutual agreement between the writers, often based on how much they contributed to the overall songwriting. For example, the person who wrote a song's lyrics will likely receive a larger share than the person who simply wrote the bridge.

A split sheet should be created for songs before they are used commercially in any way — whether it's a release through a distribution platform or a third-party license. Or as we always like to say, get the split sheet signed *before* you leave the studio to avoid any potential headaches later on in the process.

The splits for every song must add up to 100 percent in order for the writers' publishers to administer their shares. A split sheet can serve as written evidence of copyright ownership should a co-writer face any conflicting claims later on. As long as all parties sign the document, it is considered a legally binding agreement.



We interviewed a handful of Ghanaian songwriters about the positives (transparency) and negatives (they can be contentious) of split sheet discussions here. For instance, singer-songwriter Ria Boss said she did not use split sheets at first because “the line between friend and colleague was sometimes blurred... Now I ask that terms [be] set prior to the sessions beginning because it allows for [a] clear understanding for all artists / producers involved.”

Producer / songwriter / engineer Kofi “IamBeatMenace” Boachie-Ansah, on the other hand, said he's been using split sheets for more than a decade. They've become such an important part of the songwriting process that he's “walked away from countless projects that failed to address this issue from the start.”

Split sheets should be applied to band sessions as well. For example, let's say four musicians workshop songs in a practice space for 10 hours a day, and each member (yes, even the drummer) shares in the creative work equally. Many bands split things right down the middle because that's the spirit and ethos of the group. If that's the case with your band, it's better to put the breakdown on paper than simply assume everyone's on the same page.

In other cases, a band may have a principal songwriter who gets a larger cut than the members who contribute a riff here or a beat there. And then there are truly complicated tracks like “Uptown Funk” or Kanye West's highly collaborative *Yeezus* LP — music that may need an entire legal team to sort out. (West's tense “I Am a God” track, for instance, is credited to more than 10 writers, including Daft Punk, Bon Iver, Hudson Mohawke, Capleton, Rhymefest, and Indian poet Anand Bakshi.)



100%

SOLO CREATOR: 100% OWNERSHIP



25%



25%



25%



25%

MULTI-WRITER (BAND) SCENARIO: 100% OWNERSHIP

This is why it's important to decide on splits while you collaborate on songwriting, or as soon as all writers agree that the song is finished. The split percentages, after all, determine how much each songwriter will be paid for their contribution. It's also important that all co-writers agree on when the song was actually finished. For instance, is it done when you finish writing the core composition in your rehearsal space, or will the producer or session musicians who arrange parts of the song during a recording session also receive writing credit? While it may seem awkward to address these topics early on, doing so can prevent future confusion.

When a song becomes a joint work — with several co-writers splitting its ownership and related copyrights — there is no clear, legal difference between its music and lyrics. If you split a song 50/50 between two writers because one produced the recording and the other wrote the music, both writers now own 50% of the publishing for the entire work.

One way that might play out is that if you license the song for use in an advertisement, and they use only the instrumental interlude, with no lyrics, you'd both share in the fee and royalties equally. In some cases, you might register instrumental (or a capella) versions for publishing with separate shares, but this isn't usually done, in understanding of songwriting's collaborative nature.

Remember: There's two sides to every song, and it's crucial you understand which parts belong to which songwriter(s) before it becomes a sudden crisis.



**THE RIGHT
WAY TO
CREATE USING
ANOTHER
MUSICIAN'S
WORK**

SONGWRITERS

*can pull ideas from a pre-existing, copyrighted work in several ways, including creating a new arrangement of an existing song, covering a song as it was originally written (more or less), or **sampling** part of an existing recording.*

Let's take a quick look at all three...

DERIVATIVE WORKS



derivative work is a musical arrangement that adapts, transforms, or recasts key elements of one or more pre-existing compositions. This includes a wide range of potential uses, including remixes, acoustic versions, interpolative soundtracks (e.g., the manic pop songs of *Moulin Rouge*), musical numbers, and medleys.

A major example of a derivative work is the hit single “Blurred Lines.” In a closely watched federal case, Robin Thicke and Pharrell Williams were ordered to pay Marvin Gaye’s family \$7.3 million for their song’s inescapable similarities to Gaye’s chart-topping single “Got to Give It Up.”

While the historic ruling was eventually reduced to \$5.3 million, Gaye was given a co-writer credit that spilled over into the “Weird Al” Yankovic parody “Word Crimes.”

Unlike “Blurred Lines,” it classifies as a parody and falls under the same “**fair use**” category as derivative works that were created for educational purposes or as a form of social commentary or criticism.

Another prime example would be the 2 Live Crew song “Pretty Woman,” which was declared a parody based on the Roy Orbison ballad “Oh, Pretty Woman.” That case went all the way up to the Supreme Court and established a precedent for similar forms of fair use.

COVER VERSIONS

Since the very notion of covering songs has such a well-established history — from classical to jazz to folk music — the legal procedure for properly recording and releasing them is fairly straightforward. If your cover song is a physical and/or digital download release that doesn’t fundamentally change the lyrics or melody of the original composition, you need to obtain one of the **mechanical licenses** we mentioned earlier. Luckily, this license is compulsory in the U.S.; in other words, the rightsholder can’t reject it on principle.

If you simply want to perform someone else’s work in a live setting, you don’t need to obtain a mechanical license. The venue’s owner is responsible for purchasing a blanket performance license instead.

A similar rule applies to cover songs released strictly on streaming platforms like Spotify and Apple Music; they do not require a separate license because they are already covered by a blanket mechanical license agreement with publishers.

To obtain a mechanical license to record and release another creator’s work in physical or down-

load form, you'll most likely go straight to the rightsholder, their publisher, or a third party like the [Harry Fox Agency \(HFA\)](#) or [Easy Song Licensing](#). You can also search for the publisher in collection society databases or initiate a formal [Notice of Intention](#) procedure for a **compulsory license** through the **U.S. Copyright Office**.

SAMPLING

Unlike cover songs, sample licenses aren't compulsory. This means rights holders can refuse them or demand a significant advance / sales percentage in exchange for a sample's usage.

In order to clear a sample, you'll need to contact the publisher of the original composition and reach an agreement for the usage. And because a sample incorporates the original recording by definition, you'll also need to find the owner of the original recording and come to terms with them as well. This can be especially difficult for older works, as record labels and imprints often fold or change ownership throughout the years.



There are exceptions, of course. Some artists and labels actively support and encourage sampling, and new companies like [Tracklib](#) are advocates for making samples easier to obtain. Some producers actively promote [sample packages](#) for creators to buy and use, using platforms like [Splice](#) and [Beatstars](#).

That doesn't mean every artist honors copyright laws by using legit samples. Many have no problem letting barely legal samples slip right on by unnoticed, either because they're unrecognizable, the original track is obscure to begin with, or because the artist using them is low-profile enough to fly under the radar or not warrant a lawsuit.

That said, hoping a sample-centric single won't attract the attention of rights holders is extremely risky. Rap-[per-turned-house flipper](#) Vanilla Ice found this out the

hard way when he was forced to reach an out-of-court settlement with David Bowie and Queen over his shameless "Under Pressure" sample in his own No. 1 hit "Ice Ice Baby." As the BBC pointed out in its [breakdown](#) of infamous copyright cases, Queen drummer Roger Taylor was quite shocked by the song's utter lack of creativity, [saying](#), "I mean, there's no song there; it's just the riff. That's the hook."

Recording covers — or including too many of them on one release — can be perilous as well. Soft Cell's version of Gloria Jones' "Tainted Love" was a worldwide smash, and the top-selling UK single in 1981. Unfortunately, the band chose another cover, the Supremes' "Where Did Our Love Go," as the single's B-side, guaranteeing they would earn nothing in songwriting or publishing royalties from sales of the single.



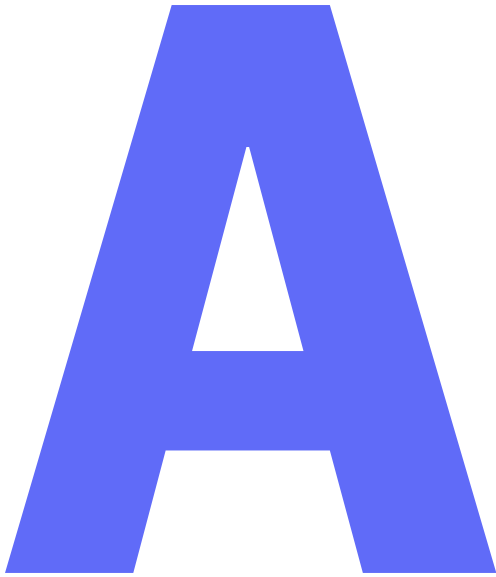
**A CLOSER
LOOK AT
ROYALTIES**

FIRST:

The good news. You ended up with 25% of a song that's about to become a smash hit. Not bad considering you're more of a microphone-adjusting knob twiddler than a singer / rhyme slinger.

The only problem: You're not sure what your percentage actually means when it comes to collecting real money. It doesn't help that there's so many different kinds of royalties these days, from mechanicals to micro-syncs. And then there's the licenses that lead to dramatic paydays. Who's gonna handle that?

Time to talk to your co-writer's manager; they're in this room for a reason, after all. And hey, if everything works out, maybe this won't be the last time you work together. Maybe this is just a hint of the hit-making magic you can all conjure together. Stranger things have happened...



s we explained in our earlier section about the two well-defined sides of songs like “(I Can’t Get No) Satisfaction,” royalties are generated every time your music is used and/or reproduced. That includes a wide range of potential revenue sources, including physical album sales, radio broadcasts, digital downloads, and digital streams.

To give you an idea of just how critical royalties are for members of the music industry, [ASCAP](#) and [BMI](#) — North America’s largest royalty **collection societies** — distributed a total of \$2.45 billion in performance royalties to songwriters, artists, and publishers in 2020. That represents a 2.5% increase for ASCAP and a 3% increase for BMI from the previous fiscal year — a real lifeline for artists who weren’t able to tour during COVID-19’s long international lockdown.

Before we get into how you can monitor and monetize your music through [licensing and sync deals](#), we’d like to clarify one crucial detail: whenever we refer to “royalties” from this point on, we’re talking about a track’s underlying composition. (Mick and Keith’s melodies, lyrics, and shake, rattle & roll structures in our Stones example.) Any royalties earned by a one-of-a-kind recording are collected and paid out by either your label or distributors like CD Baby, Tunecore, and Distrokid.

For more on the myriad differences between music publishing and distribution, check out our blog post breakdown [here](#).

LEARNING ABOUT LICENSES

A music license is a legal agreement that grants another person the permission to use your work for a specific purpose (e.g., playing copyrighted music in a public space or on a streaming service, or syncing a copyrighted song with any kind of visual media). Licenses ensure that songwriters earn a fee and/or royalties for the exploitation of their work, and protect the licensee from any potential repercussions of violating a song’s copyright. It’s a win-win affair for everyone, really.

Music licenses don’t change a song’s ownership shares, copyrights, or splits; their details are dependent on how a song will be used or reproduced. A single use license (a.k.a. a single song license) allows for the one-time sync of a song alongside a specific video project. Ever since Apple licensed a long-forgotten Propellerheads single (“Take California”) for the first iPod commercial, the company has turned this approach into an art form — tapping breakthrough (Lizzo, Flume, YG) and bygone (Elvis Presley, Kitty Wells, Dean Martin) artists for its signature commercials.

How long a single use license lasts depends on whether it’s considered a perpetual license — a song that can be synced to a specific project indefinitely — or a termed license. A common example of the latter would be a television commercial that’s set to air over a certain span of time (e.g., six months or a single week).



Blanket licenses grant outside entities access to a rightsholder’s entire catalog rather than just the one-time use of a single composition. They can be issued by a Performing Rights Organization (PRO) or a mechanical rights society. Publishing administrators like Songtrust and like-minded organizations like **The Mechanical Licensing Collective** (The MLC) also issue them to DSPs and other pay sources.

Outside parties — typically a TV network, nightclub, or radio station — often pay annual fees that allow them to use as many licensed songs as they’d like. Music publishers can open their entire catalog, or a limited set of songs, up to certain outlets (e.g., a film production company) at a set rate as well. Thanks to all these competing factors and divergent paths, the process of issuing, tracking, and paying out licenses often takes a considerable amount of time and energy.

Monetizing the many potential usages of music throughout the world is a massive undertaking that must keep a complex set of codes, data, and IDs in mind. This — among other issues we’ll grapple with in this guide — is why properly registering your songs with global pay sources is such a vital part of music publishing and retaining control of your copyrighted material.

HOW ARE SONGWRITERS PAID?

Understanding how much songwriters earn can be quite complex as well. Collection societies have incredibly specific, intricate formulas for calculating licenses and royalty earnings. The one thing they all share is an emphasis on the settings and circumstances in which a work is used. Or to put it another way, getting blasted after every goal at a hockey game like Blur’s loud and proud “Song 2” single is gonna pay out differently than a janky old jukebox or a bar that streams playlists from a smartphone with a cracked screen.

Royalty rates tend to be renegotiated on a regular basis, too. And guess what? They vary from territory to territory as well.

How songwriters get paid is relatively straightforward, comparatively speaking. In the next few sections, we’ll explain the most common types of royalties, the methods in which they’re generated, and who collects and administers each revenue stream in various territories.



PERFORMANCE ROYALTIES
Song is publicly performed



MECHANICAL ROYALTIES
Song is digitally streamed
or physically reproduced



MICRO-SYNC ROYALTIES
Song is used in videos

PERFORMANCE ROYALTIES

Public “performances” — and the royalties they generate — don’t just mean proper concerts or live appearances when it comes to royalty collection within the music industry. They also apply to the public performance of a song *recording*, including when it’s broadcast on a radio or TV station, played at a bar or a gym, or streamed on a digital service like Apple Music, Tidal, and Spotify.

As we explained a few sections earlier, outside parties must pay fees in order to use original music. This means you earn performance royalties any time your song is performed in the presence of others, regardless of whether it was rocked by you (the songwriter), covered by another creator, or simply played on a public sound system.

PERFORMANCE ROYALTIES CAN BE GENERATED FROM:		
SUPERMARKETS	RADIO	TELEVISION (This is not to be confused with the fee involved in sync—the actual placement of your songs in TV, film, or commercials)
CLOTHING STORES	LIVE VENUES	
TERRESTRIAL RADIO	BARS	
RESTAURANTS	JUKEBOXES	INTERNET RADIO/ NON-INTERACTIVE STREAMING (e.g., Pandora)
ONLINE INTERACTIVE STREAMING (e.g., Apple Music or Spotify)	ELEVATOR MUSIC SERVICES	GYMS / HEALTH CLUBS

Any time your composition shows up in one of the above situations, it earns performance royalties. In the U.S., pay sources and Performing Rights Organizations (PROs) like ASCAP and BMI — collection societies we’ll describe in more detail below — track performances in their territories and pay royalties directly to the rightsholders who registered those songs.

Outside of the U.S., royalty collection depends on where a work is used. PROs, and another common pay source called Collection Management Organizations (CMOs), typically collect and track royalties in other countries and territories. The main difference between the two is that CMOs also collect mechanical royalties. Spreading your songs across multiple continents and mediums may sound complicated, but don’t worry too much. It should all make perfect sense by the end of this section. Onto mechanical royalties!

MECHANICAL ROYALTIES

The term “mechanical royalty” dates back to the 19th century, when player pianos revolved around piano rolls: perforated sheet music that recreated popular compositions through mechanical means. The songwriters / publishers of said compositions weren’t amused. They be-

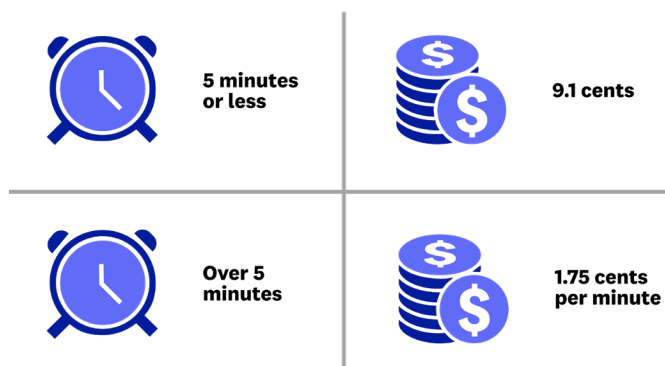
lieved — understandably so — that player pianos violated existing laws because they weren't being paid for the reproduction of their copyrighted work. Enter the [Copyright Act of 1909](#). It gave reproductions of original music the green light on one condition: that the rightsholder was paid a “mechanical royalty.” This didn't just apply to piano *rolls*, of course. Here is a short list of mechanical royalty mainstays:

MECHANICAL ROYALTY MAINSTAYS	
RECORD SALES (Vinyl, CDs, Tapes)	COVER SONG RECORDINGS
DIGITAL DOWNLOADS	RINGTONES
FILM AND TELEVISION SOUNDTRACKS	ONLINE INTERACTIVE STREAMS (e.g., Apple Music and Spotify)

The **Copyright Act of 1976** repealed and replaced Congress' original bill to help future-proof the original works of rightsholders. Section 115 is worth a [closer look](#) if you're a creator; it provides a compulsory license to make and distribute phonorecords, subject to certain terms and conditions of use.

The [statutory rates](#) for mechanical licenses are set by the **Copyright Royalty Board** (CRB), a panel of three DC-based judges that meets every few years to review and determine the set rates. The current statutory rate for physical copies or digital downloads is 9.1 cents for recordings that are less than five minutes long, and 1.75 cents per minute for recordings that are longer than five minutes.

PHYSICAL RECORDINGS AND DIGITAL DOWNLOADS



While there's no denying the vinyl revival that took hold in 2006 and hasn't let up since — the RIAA [reported](#) LP/EP sales of \$619.6 million in 2020, a 29.2% increase — the most significant source of mechanical royalties these days isn't deluxe CD reissues or limited vinyl colorways. It's leading streaming platforms like Spotify and Apple Music. Streaming royalty rates are not the same as the physical and digital copies we described above. They are based on the overall revenue a DSP brings in and how much they are legally required to share with songwriters.

However, these rates change often — download a detailed timeline from the [U.S. Copyright Office here](#) — and are determined by a number of factors within the DSPs themselves. With roughly [155 million subscribers](#) as of 2021, Spotify boasts the highest number of paying users. While artists and songwriters haven't seen a comparable spike in their income yet, the service recently launched a “[Loud & Clear](#)” landing page to help explain how creators can benefit from its broad audience.

Unlike Spotify, Apple Music doesn't have a free subscription model; this helps account for its higher per-play rate (\$0.0076 per stream as of early 2021). Apple also offers an elevated payout

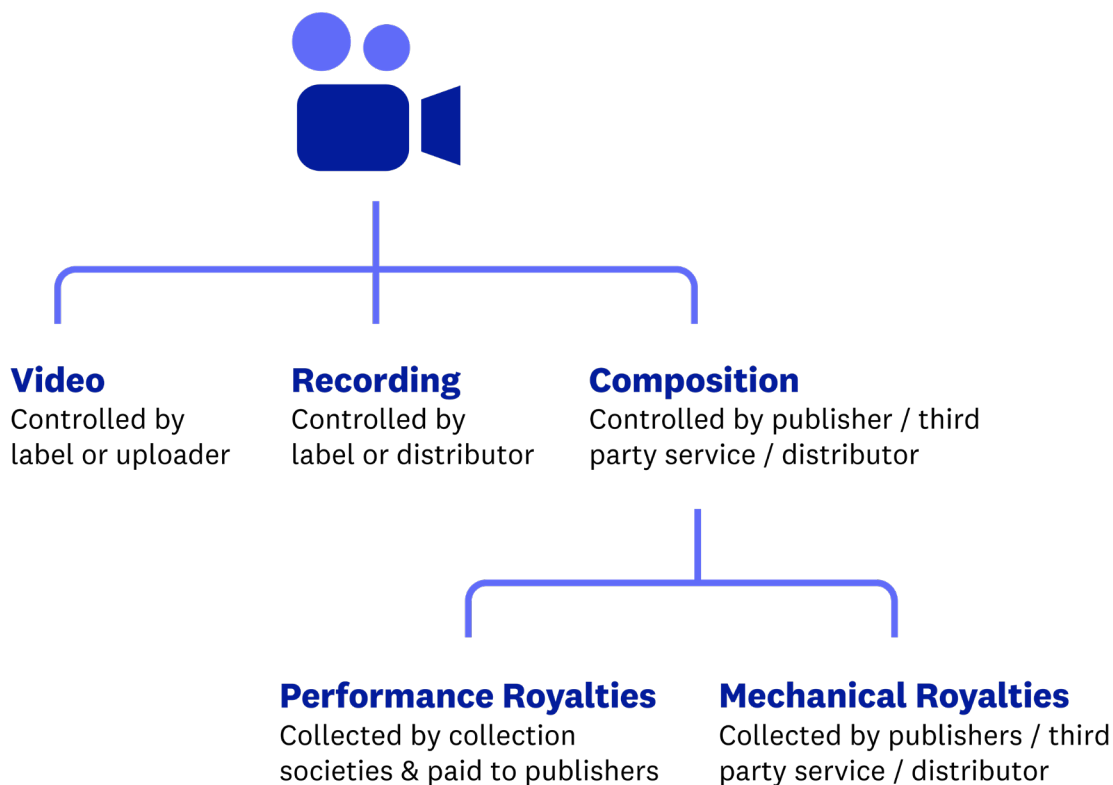
for mechanical publishing, which is good news for songwriters. You should be able to find several articles — including [this Soundcharts piece](#) — floating around the internet that speak to the per-stream rates of digital platforms.

These numbers can vary considerably depending on the type of considerably depending on the type of subscription and territory. Generally speaking, Tidal pays the highest per-stream rate, and Spotify’s free tier is the lowest, followed by YouTube. Other factors may come into play as well, such as Spotify’s [recent offer](#) to playlist the priority tracks of some labels and artists in exchange for a reduced “promotional recording royalty rate”.

MICRO-SYNC ROYALTIES

The rise of **user-generated content** (UGC) in recent years — especially on YouTube and social media platforms like TikTok and Instagram — has made yet another revenue stream impossible to ignore for career-minded creators. While it goes by several different names, we usually refer to this revenue stream as **micro-sync royalties**.

Micro-syncs are most often earned by music used in streaming video clips, as they often entail thousands — or if you’re lucky, millions — of unique audiovisual usages rather than just a one-time movie or TV show placement. Depending on where these usages occur, they can generate both performance and mechanical royalties. A common example of this would be monetized YouTube videos.



Whenever you share your music on a major video platform, make sure its requirements are met *before* any royalties start trickling in. For instance, videos are split into 3 types of assets on YouTube: the visual component, the audio component, and the composition itself, which generates both performance and mechanical royalties for songwriters and publishers.

Since YouTube earnings are a relatively small portion of the platform's ad revenue, videos do not generate royalties until a copyright owner has placed a proper ad on it. This is done when a label, publisher, or other content owner initiates a claim and asks YouTube to monetize that video.

If a YouTube video does not have a digital commercial playing before, during, or alongside it, it's not generating royalties for its rightsholders. One exception to this rule is YouTube clips viewed through the ad-free, paid content platform [YouTube Premium](#).

One other thing you should keep in mind: YouTube's Partner Program [thresholds](#) must be met before a video can be claimed. Current guidelines require at least 1,000 subscribers, and 4,000 watch hours over the past 12 months, from a video's channel.

That may sound like a lot, but YouTube's first quarter earnings in 2021 included \$6.01 billion in ad revenue — a \$4 billion increase, at a growth rate of 49%. Your piece of that pie may not be much unless you have millions of views and followers, but it's still important to understand your rights and make the most of your music and its seemingly endless array of revenue streams and royalties.

RETROACTIVE ROYALTIES

At this point, you probably know that a song earns royalties as soon as it's recorded, distributed, and played or performed throughout the world. Here's the kicker, however: Royalty payouts can be put on pause indefinitely when a songwriter fails to register their work with the right collection society.



Finished song enters distribution



Song earns royalties



Songwriter payout INTERRUPTED due to:

- Unregistered songs
- No collection society
- No publishing
- Incorrect data



Waiting period: usually 2-3 years



After this period, royalties can no longer be collected. These unallocated royalties, a.k.a. "**black box**" royalties, are redistributed to major publishers.

Or maybe they thought they registered it, but made an honest mistake along the way. This is such a common occurrence that we devoted a [detailed post](#) to seven entirely avoidable situations that songwriters face every day.

If a songwriter doesn't address whatever derailed their royalties, they'll essentially sit in limbo, waiting to be collected. While this may sound like good news — your song racking up

retroactive royalties, whether or not you realize it — they won't stick around forever. Depending on the society you're affiliated with, they'll generally be available for two to three years.

**UNALLOCATED
ROYALTIES ARE
IMPOSSIBLE TO
RETRIEVE ONCE
THEY ENTER THE
“BLACK BOX”**

What happens if you never match, claim, and collect them? Well, they'll eventually become unallocated royalties (sometimes called “black box” royalties).

After a predetermined period, these royalties are usually released by pay sources to their affiliated members, and distributed based on their market share. In short, if you don't collect these retroactive royalties in a reasonable amount of time, they get paid out to wealthy songwriters and artists like Taylor Swift, Drake, and Beyoncé.

You read that right. People who have nothing to do with your music could earn money from it. And it's the biggest artists (with the flushest bank accounts) who stand to make even more off the hard work of others.

There are also times when compositions are attributed to the wrong publisher or writer due to a data mixup or another error. Royalties are then paid out to the wrong party, leading to a complex, often time-consuming recovery process for your publisher. Don't be that person.

Unallocated royalties are impossible to retrieve once they enter the “black box”, but don't panic just yet. If you make a concerted effort to affiliate with a collection society, correctly register your songs, and have a publishing administrator in place to verify every single registration, you can avoid losing out on royalties. All is not lost!

THEATRICAL ROYALTIES

Performance royalties are not paid when a film is shown at a movie theater in the U.S. In many other territories, however, movie theaters must obtain licenses to perform a film's music publicly. A hit movie has the potential to generate hundreds of thousands of dollars in performance royalties simply from this one revenue stream.

One sync placement creators should consider seeking in the U.S. is for movie trailers. This can be a lucrative **sync license** situation, especially if the song is used throughout the trailer (a.k.a. “out of context” according to ASCAP) rather than in one particular scene. After all, many trailers are as memorable as the movies themselves — sometimes even more so — and prone to replays on television and YouTube.

Check out a taste of what we mean over at Fandom; the pop culture publication's roundup of “great movie trailers with unforgettable song choices” includes everything from Star Trek *Beyond* meets the Beastie Boys to a truly haunting rendition of Radiohead's “Creep” for David Fincher's biting Facebook biopic, *The Social Network*.

PRINT ROYALTIES

As a copyright owner, you also have the exclusive right to authorize others to use copyrighted sheet music or reprints of your lyrical work. Theatrical, choral, and orchestral productions rely heavily on sheet music such as lyric reprints, guitar tabs, sheet music, and songbooks.

Printed music royalties are generated from the sale of sheet music, and split between songwriters and publishers. While it's often negligible compared to other forms of musical income these days, there's no denying the influence and importance of the royalties that gave music publishing its name in the first place.



**GLOBAL
PUBLISHING
ROYALTY
COLLECTION:
HOW DOES IT
WORK?**

THAT

hunch everyone had in the studio last month? Dead-on; the song you slayed and quickly distributed to DSPs has already racked up more than a million streams. At the risk of sounding like a broken record (no pun intended), now what?

Like, you know there's a lot of money on the way soon, but who's actually responsible for collecting it? You're pretty sure it's ASCAP (or was it BMI?), but definitely want to double check before things get out of hand and you start leaving a whole lotta revenue on the table...



ou’re probably wondering what constitutes a pay source versus a collection society at this point. Well, a pay source is a broad term that applies to any organization, society, or digital service provider that pays out royalties for the use of a song.

Chief among them are collection societies. They are vital to the licensing and tracking of your songs, and the subsequent collection of any royalties you’ve earned.

Each pay source operates differently and is defined based on the type of royalty they collect, what kind of organization they are, and where in the world they’re located. We’ll define all the pay sources you need to know next.

ACRONYM	TERM	ROYALTY TYPE
CMO	Collective Management Organization	Performance and/or Mechanical Royalties
PRO	Performing Rights Organization	Performance Royalties
MRO	Mechanical Rights Organization	Mechanical Royalties
RAE	Rights Administrator Entity	Mechanical and Performance Royalties
DSP	Digital Service Provider	Mechanical and Performance Royalties

COLLECTIVE MANAGEMENT ORGANIZATIONS (CMO)

One key type of collection society is a **Collective Management Organization**, or CMO. They are nonprofits responsible for licensing, tracking, and collecting publishing royalties, which are then paid out to their respective songwriters and/or publishers.

One key commonality between most CMO is having an open, non-discriminatory policy for anyone looking to join them. They’re also owned by their members in most cases, and tend to operate within a specific territory and stick to a certain type of royalty. To learn more about the world’s leading CMO, check out our [collection sources](#), or continue reading for a closer look at two types of CMO you’ll likely encounter throughout your career.

PERFORMING RIGHTS ORGANIZATIONS (PRO)

A **Performing Rights Organization**, or PRO, is responsible for collecting revenue on behalf of songwriters and music publishers when a song is publicly performed. Their main purpose is to license, register, track, and collect performance royalties, leaving the mechanical royalty collection to other organizations and entities.

While the term PRO is sometimes erroneously used to mean any “collection society,” this is not the case - PROs collect only performance royalties, unlike other collection societies like CMOs or MROs.

As we explained in more detail earlier, restaurants, bars, concert venues, streaming services, and any other entities that use music in public are required to pay a license fee in order to play that music in their establishment. PROs collect those fees, then pay songwriters and publishers their share of performance royalties.

PROs in the United States — including ASCAP, BMI, SESAC, and GMR — all have different rules, registration terms, and fees. Each has slight variations in how they pay out royalties as well. For example, PROs will generally pay the writer share of any royalties directly to the songwriter, but may differ on how they pay out the publisher share. Some require a publishing company or entity to be registered in order to collect your publisher share, while others will pay this out even without a publishing entity.

MECHANICAL RIGHTS ORGANIZATION (MRO)

A **Mechanical Rights Organization**, or MRO, is another major type of CMO. It is responsible for the **administration** of mechanical licenses and — depending on the MRO — the collection and payment of mechanical royalties to publishers. Oftentimes, if a territory or country does not have a single CMO responsible for both performance and mechanical royalty collections, they split these responsibilities between a PRO and a MRO.

Much like PROs, each MRO has its own rules, terms, and fees. These differences determine whether or not they pay out the mechanical royalties they collect to songwriters directly or if they require a publishing entity for payouts. For example, The Mechanical Licensing Collective will work directly with songwriters, while the Harry Fox Agency (HFA) requires a third-party publisher or personal publishing entity from its creators before they register and collect royalties within the U.S.

RIGHTS ADMINISTRATION ENTITY (RAE)

If your CMO or MRO doesn't collect your mechanical royalties, a **Rights Administration Entity**, or RAE, might depending on your territory. RAEs are pay source agencies that act similarly to CMOs in how they collect and distribute performance and mechanical royalties. A few major differences include their legal status as a for-profit, privately-owned business that does not need permission to operate or deny the applications of potential members. A U.S. example of an RAE is Music Reports (MRI).

**PRODUCERS
ARE SONGWRITERS**

**TOPLINERS
ARE SONGWRITERS**

**COMPOSERS
ARE SONGWRITERS**

**BEATMAKERS
ARE SONGWRITERS**

**PERFORMERS
ARE SONGWRITERS**

DIGITAL SERVICE PROVIDER (DSP)

Digital Service Providers (DSPs) like Deezer, Spotify, and Apple Music provide digital music directly to consumers. They usually work closely with distributors to release your music onto their platforms. The royalties earned from these entities depend on how users interact with your song (e.g., as a single track stream or permanent download), but can earn both performance and mechanical royalties.

DSPs usually work with CMOs or RAEs to administer and distribute royalties on their behalf, but some large publishers are able to work with these sources directly.

HOW TO AFFILIATE AND REGISTER YOUR SONGS

A crucial part of the music publishing process is affiliating yourself with pay sources and registering your songs so they can be tracked for royalty collection. Without this step, you can forget about earning any substantial, long-term income over the course of your career.

Affiliation means becoming a member of an organization or society and granting them such responsibilities as licensing, tracking, and protecting your songs' use; authorizing other societies through reciprocal agreements; licensing rights to songs on your behalf; and paying out royalties.

When you affiliate yourself as a songwriter with a pay source, you'll receive an **IPI**, or **Interested Parties Information**, number. This identifies you as a songwriter and connects you to your catalog to ensure you receive any royalties that are owed to you. You can also affiliate yourself as a publisher if you like; we'll cover that process and its benefits in the next section.

After you're affiliated, the next step is to register your songs. You'll tell the pay source the name of each song, who wrote it, and who has administrative control of the publishing.

Please note: This process assumes you do not already have a publisher set up. If you use a publishing administrator like Songtrust, or are signed to a traditional publishing deal, your publisher — *not* you — would register songs directly with your society, using the information you supply.

Here is a list of important information you'll want to have on hand so that you register songs properly:

- 1** List any and all performers of the song
- 2** List any and all writers and publishers with their correct shares
- 3** List any alternate titles
(i.e. for a song called "2 Good 4 U," you'd also list the traditionally styled "Too Good For You" as an alternate)
- 4** Updated writer / Publisher contact information
- 5** Report any live performances with your collection society
Songtrust also allows you to register live performances with international collection societies through our platform

Once you've successfully registered your song, you'll receive an **International Standard Work Code**, or **ISWC**. An ISWC is a song's identifier, unique to the composition, which allows it to be tracked and have royalties mapped to it. This is issued by a certified ISWC Agency, oftentimes your local CMO.

Once you distribute your music in recorded form, you'll also be assigned an **International Standard Recording Code**, or **ISRC**. An ISRC is a recording's unique identifier, and allows your publisher to track and collect royalties. This is issued by your distributor or label.

Another important note before we dive into publishing deals: If your music is being used outside your territory, you're owed royalties from the societies that are based there. In order to ensure maximum collection, you'd need to register your songs directly with relevant pay sources in each territory where your music is used.

Depending on how widely distributed your music is, that could easily add up to more than a dozen sources — a long and tedious process that'll feel like a full-time job. And that's before you factor in fees, and the layers of complexity that come with everyone's unique regulations and terms.

It sounds like a lot, but it doesn't have to be. We've come up with an easier way: Songtrust's direct deals with more than 60 pay sources, which cover 245 countries and territories. We also have experts who can help you navigate rocky publishing waters as your career expands across the globe and things get a little... complicated.



A

PUBLISHING

DEAL PRIMER

THE

words finally gotten out about the “hot new producer” behind this week’s blend of buoyant EDM beats and raw emo-core rap. And guess what? That “hot new producer” is you!

*This means you’re suddenly fielding offers around potential **co-publishing agreements** and work-for-hire contracts.*

Since this is your first hit single, you don’t want to say yes to the first sign of success that’s placed in front of you. And you certainly don’t want to relinquish all of your rights for the foreseeable future simply because someone you barely know claims they can “make you a star — maybe even the next Max Martin or Linda Perry if you’re lucky.”

It’s time to do your research....



arning a living as a songwriter isn't as simple as getting your work on the radio or Spotify and waiting for the royalty checks to roll in. To make the most of your music in the long and short term, you need to have a basic understanding of the business itself, beginning with Songtrust's specialty: music publishing.

Before we chronicle some common publishing deal types, it's important to remember the ultimate goal of getting your music heard, which is turning your creativity into a career.

Music publishers, and publishing administrators like Songtrust, help you reach your goals by collecting the royalties your compositions generate at pay sources throughout the world. Depending on the type of deal you strike, publishers also offer everything from creative services to song registrations.

In other words, publishers are more than a path towards getting paid. They're a lifeline, the coach in your corner keeping track of complex administrative tasks so you don't have to.



Still unsure what all of this actually *means*? That's okay — totally understandable, to be honest. And exactly why we devoted an entire feature to the Top Four Reasons You Need Music Publishing. Definitely give that one a go once you've read this guide, as it helps put things into perspective even further. Choosing the best fit for your career is largely based on how much work you've put into the business side of being a creator and what you're ready and willing to do on a day-to-day basis once you've committed to a bona fide contract.

Before we divulge the details of common publishing deals, let's clarify a crucial detail: who owns what once a song is ready to be shared with the world. We've already talked about the two halves of a typical song: its one-of-a-kind recording, and its under-

lying composition. We're going to focus on the latter in this section — a Songtrust specialty that is split evenly between a writer share and a publisher share. As the creator of an original composition, you become its copyright holder by default and own both right off the bat.

50% WRITER SHARE

The percentage of ownership of a work owned by the creator, typically paid by the collection society



50% PUBLISHER SHARE

The percentage of ownership of a work owned by the creator until you enter a deal with a publishing situation

If you want to remain independent *and* self-administer your publishing, you can claim the publisher's share without a publishing deal as long as your collection society allows it. (Some do not.) Just keep in mind that you won't be able to collect mechanical royalties if you're only affiliated with a PRO.

Another option worth considering is affiliating a personal publishing entity with your society, which the next chapter discusses in more detail. This would allow you to act as your own publisher and collect the publisher's share, although it may incur an additional fee. Remember that publishers also need to register at the appropriate global societies to collect mechanical and performance royalties directly. If you're on your own, be prepared for a prolonged, tedious process.

There are alternatives, of course — namely, a traditional publisher or a publishing administrator like Songtrust. Much like songwriters, publishers and publishing administrators can join collection societies like ASCAP. Publishers also have the ability to collect both mechanical and performance royalties, affiliate with multiple societies, and collect from territories throughout the world. Not to mention find outlets for your music you may be unaware of; help you discover synchronization deals that might be otherwise difficult to obtain; and get paid in a timely, accurate manner.

Being an independent songwriter doesn't have to mean doing *everything* on your own. Whether you're a seasoned or up-and-coming songwriter, **publishing agreements** can help you save time; monitor your global earnings across as many pay sources as possible; and provide you with administrative and/or creative support for your catalog so that you can focus on more important matters: the music itself.

Each publishing situation differs; we'll outline four of the most common options below

ADMINISTRATION AGREEMENTS

In an administration deal, you — the songwriter — keep 100% ownership of your copyright (and writer's share) and relinquish around 15% to 25% of your publisher's share in the form of an administrative fee. As for how long they last, administration deals are often more open-ended than traditional publishing agreements.

PROS	CONS
Keep 100% ownership	No creative services
Flexible terms	Advances not always available
Choose which songs to register	

Songtrust's terms are particularly flexible; clients may choose to cancel their contracts after just one year, and administer as much or as little of their catalog as they'd like.

Publishing administrators do not own or control any of your copyright during this agreement. **Administration agreements** do not usually include creative services either though. They focus on properly registering your songs with

global pay sources, correcting errors or conflicts, and collecting royalties on your behalf. Some administrators require you to let them process the paperwork for any sync licenses you procure yourself or via a third party, for which they collect a percentage of the sync royalty. This is called “passive” sync income.

Publishing administrators have relationships with all kinds of performance and mechanical collection societies and pay sources around the world that make royalty collection much simpler than it would be for a songwriter to do on their own. This leaves you with more time to focus on writing and creative work.

Whether you’re a fresh DIY artist looking for a seamless publishing solution or an industry veteran still discovering and decoding its complexities, a publishing administration deal can work for any creator at almost any career stage. You’ll learn more about Songtrust’s unique administration offering a little later on.

TRADITIONAL AND CO-PUBLISHING AGREEMENTS

A traditional publishing deal generally means forfeiting 100% of your publishing rights in return for the services your publisher provides. In a co-publishing agreement — one of the most common deals for major songwriters — you typically give up 50% of your publisher’s share (a.k.a. “co-publishing”) when you sign. This means you keep 100% of your writer’s share and 50% of your publisher’s share, a grand total of 75% of the publishing royalties your work generates.

The term length will vary depending on the publisher and your leverage, but they can be anywhere from a couple of years to a decade or more. During that time, you will have certain obligations that must be fulfilled, such as writing a minimum number of commercially viable songs, and/or recording and releasing music on a proper label.

Because a publisher takes ownership and invests in your work, they have an incentive to support your compositions and generate royalties. They may do this in a number of different ways, including:

1. Pitching your songs to **music supervisors** for possible synchronization deals in film, television and advertising projects.
2. Setting up mutually beneficial co-writes with other songwriters
3. Submitting song demos to labels, so they can be recorded and released by major artists
4. Offering song critiques and other A&R and artist development services

PROS	CONS
Offer creative and sync opportunities	Give up 25% - 50% of your copyright
Advances available	Locked into a fixed term, usually 3+ years
	Generally required to register all your songs

In addition to this creative work, your publisher will also take care of any necessary administrative duties. Keep in mind that in a co-publishing deal, while you retain a percentage of the publisher's share, you are often relinquishing 100% of administrative control over the song during the term, as well as creative control when it comes to sync and other uses, meaning you have little say in how it is used or pitched.

Often the most enticing aspect of a traditional or co-publishing deal is a cash advance. (Advances are sometimes given for administration-only agreements as well, although this is quite rare.) Publishing companies will customarily offer you a lump sum of money upon signing the contract. This can be a big selling point for songwriters because it offers a level of freedom and the chance to finally quit your day job and focus on writing — maybe even build a home studio or self-finance a national tour.

However, it's important to know that this advance must be recouped in full by the publisher before you are paid out any royalties from your compositions - "advance" meaning it represents your own earnings, just paid out in advance. This means the publishing company will collect your share of publishing royalties in addition to theirs until they've recouped the advance. (Advances for record or distribution deals work much the same way.)

Control is often granted to the publisher for the life of the copyright, which means the publishing company will retain partial (or complete) rights to the compositions from your agreement term even after the deal has ended. One way around this is a reversion clause stating that ownership of some or all of the works contained within the contract will revert back to the songwriter after a certain period of time passes or specific conditions are met (e.g., placing a composition on a major label release).

While traditional and co-publishing deals have plenty of merits, they aren't right for every creator. Some writers aren't experienced enough to feel confident entering into a long-term deal or want to keep more creative control; others might not have the connections or back catalog to land an offer in the first place. No matter what your situation is, be sure to review the terms of all publishing deals — ideally with a lawyer — and decide whether or not it makes sense for your music before you sign away any of your rights.

WORK-FOR-HIRE AGREEMENTS

A **work-for-hire agreement** is relatively straightforward. A company — not necessarily a publisher — or fellow songwriter offers you a flat fee for your unique composition(s).

The catch: Depending on how it's laid out, you're most likely signing away all of your master and publishing rights — including your writer's share — with this kind of deal. You may not be listed as the composer of the song, either; the person who hired you will likely get all the glory instead. On

PROS	CONS
Get paid immediately	Forfeit all your rights to your work
Meet / work with established collaborators	Not entitled to any publishing royalties
	Your work can be used however they'd like without your consent

the plus side, you could receive your writer's share of the royalties without worrying about the actual recording. Work-for-hire agreements can also be a roundabout way of networking with more established creators and earning more immediate money as your career gets off the ground.

Again, the key is to read the contract's terms (with the help of your lawyer), get everything

in writing, and try to negotiate some sort of ownership percentage so you have continuous revenue streams in the future. You never know when or if a song is going to get a lot of traction, so you don't want to sign away that ownership too easily.

EXCLUSIVE SONGWRITER AGREEMENTS

Under an **exclusive songwriter agreement**, or "staff writer" contract, a songwriter agrees to assign the entire **publisher share** of everything written during a set period to one publishing company. In exchange, the publisher provides the songwriter with a pre-ordained weekly, monthly, or quarterly payment. Unlike a stipend or salary, this advance is recouped from the future royalties of the songwriter, making it more like a co-publishing or administration deal.

Artists often feel more financially secure and able to focus on their music rather than administrative and creative duties with exclusive songwriter agreements. That said, don't expect to be offered one unless you've had a demonstrable level of success, and the publisher can feel confident about receiving a return on their investment.

Check out an ASCAP essay [here](#) for a second opinion on the six basic kinds of agreements between songwriters and publishers.



**CREATING
YOUR OWN
PUBLISHING
COMPANY**



s we outlined in the last section, traditional publishing deals have been a bedrock of the music industry for decades. In their simplest form, they're a tradeoff: You give up a percentage of your ownership and royalties in exchange for a music publisher collecting royalties and licensing fees, seeking out sync deals for TV and film placement, and often providing much-needed cash advances. But what if you want to handle everything yourself?

The truth is, you don't need an MBA to take control of your music publishing, as complex as it may seem. There are plenty of resources these days — starting with dedicated publishing administrators like Songtrust — who can help you manage everything and eliminate the need for an outside publisher in the first

place. In the following section, we'll weigh the pros and cons of forming your own publishing company, as well as share a step-by-step breakdown of how to get everything set up properly.

THE BENEFITS

Sharing less of your publishing royalties with anyone else (besides your co-writers) is arguably the most obvious advantage of being your own publisher. Depending on a society's terms, you can usually register a publishing company with a collection society the same way you did as a songwriter. The publishing company will serve as a separate business entity, and your publisher share will be distributed to that entity. Both checks will come to you, just as they would if you were solely registered as a songwriter, but the publisher share will be made out to your publishing entity.

Creating your own publishing entity doesn't prohibit you from signing a co-publishing or administration deal in the future either. If you decide to do so, your publisher would send a **letter of direction** to your collection society to notify them that they'll be taking administrative control of your publishing company's catalog on your behalf.

PROS	CONS
You keep all your publishing royalties	Can be very costly
Not prohibited from signing future publishing deals	Requires hands on work to administer all works
Protect your personal assets	The workload can infringe on creative time

Last but certainly not least, forming a publishing company affords you certain legal protections once you've incorporated it as a limited liability company (LLC). This public filing allows you to earn income and pay taxes as a business entity rather than an individual, thus protecting yourself and your personal assets from personal liability for business debts.

THE DRAWBACKS

Although there are many positives to establishing your own publishing entity, it's worth noting that the costs may sometimes outweigh the benefits. Here are a few key things to consider when you're deciding whether or not one's right for you:

- Your society may charge a fee for creating and affiliating a publishing entity. For example, BMI charges \$150 for an entity owned by an individual, and ASCAP charges \$50. (It is worth noting that there is also a \$50 charge to affiliate as a writer with ASCAP, and no charge to affiliate as a writer with BMI - though you can affiliate with either of these societies, or SO CAN or IMRO - via Songtrust for no additional charge.)
- In the U.S., you cannot collect your publisher share at a different society from where you are affiliated as a writer. In other words, if you are affiliated as a writer with BMI, you need to create your publishing entity at BMI as well. This is not the case for songwriters affiliated with ex-U.S. societies. For example, if you are affiliated with PRS as a writer, you can affiliate your publishing entity with another society, such as BMI.
- If you want to be a publisher on behalf of writers other than yourself, you will need to have your own publishing entity/entities in order to collect the publisher share on behalf of those writers. However, this step isn't necessary with a publishing administrator like Songtrust, as we do this on your behalf.

THE PROCESS

If you're considering forming your own publishing company, it's helpful to follow a checklist. Some key steps to keep in mind are:

1. Decide on a name

You'll need a unique business name so that royalty payments don't get improperly as signed. When you go through your collection society affiliation process (see: step three), you'll be required to submit a few potential names in case some are already taken.

2. Create a business entity or file a fictitious name statement.

Visit the Secretary of State website in your home state to find the requirements for creating a corporation name or limited liability company (LLC). If you prefer not to incorporate, you can file a Fictitious Business Name (FBN) or Doing

Business As (DBA) statement. This lets the government and other interested parties know that you're doing official business under another name. Without that statement, you won't be able to open a bank account — a key way of keeping personal and business expenses separate during tax season — or cash checks made out to your company. Make sure the name you choose is unique so your royalties aren't misallocated further down the road.

3. Affiliate & register your songs with a collection society

If you're publishing your own music, you need to affiliate with a collection society as a publishing music from other writers, and you're based in the U.S., you will also need to affiliate as a publisher with every PRO where your writers are members. Approval to become a writer or publisher affiliate typically takes several weeks, and there's usually a fee to apply. Remember, you'll now have two accounts at your collection society: one as a songwriter and one as a publisher.

4. Get a publishing administrator to handle local and international registration and royalty collection

To collect royalties globally — that is, outside the U.S. or wherever your local CMO is located — you'll ideally affiliate and register your songs with the appropriate CMOs in each territory where your music is used. This requires a laundry list of paperwork and legal filings.

It can be a bit of a challenge, but one that many songwriters are more than capable of tackling. Just keep in mind the options for minimizing that administrative workload. Namely a publishing administration service like Songtrust: they can handle all the administrative work for you, and get you properly registered and earning royalties worldwide.

Speaking of which, now's a perfect time to tell you a little more about what Songtrust is, what we do, and how we help make the process of monetizing your music as simple as possible.



**OWN YOUR
MUSIC AND YOUR
CAREER WITH
SONGTRUST**

YOU

finally figured it out. After a lot of research, you decided to tap Songtrust for your publishing administration needs.

That way you can worry more about writing and recording music than chasing the almighty dollar at a million different pay sources and societies. (Well, not quite a million; it just feels that way.)

The main reason you signed up with Songtrust is because another independent songwriter-producer suggested it as the perfect solution for a fast-changing music industry. You don't want to blindly head into a partnership without reading the fine print, though. Here's what you can expect now that you've joined the world's most accessible global publishing solution:




ongtrust is a global music publishing administrator used by songwriters all over the world to collect the royalties that their songs earn. You can see how we do it [here](#).









What we don't do is take any ownership of your copyrights, and we don't ask you to relinquish creative control or **commission** any sync licenses. We focus solely on our best-in-class publishing administration, so working with us allows you to make the best career decisions for you, without having to worry about whether you're collecting your song royalties.

The music industry is more global than ever - enabling songwriters and performing artists from all over the world to have their music heard, streamed, and performed anywhere. But as music access and consumption continues to grow, so does the number of sources where music creators must collect the associated revenue.

When you join Songtrust, we register your songs directly with collection sources in every country and territory where they're being played, covering 98% of the global music market. Doing this yourself would be a full-time job: not only would you have to sign up with and input your song data at dozens of sources around the world, confirm that the information is correct, and resolve any counterclaims, conflicts, or errors - but once royalties start coming in, you'd have to handle dozens of statements in varying formats (and languages), and on your own, analyze the data and track down any missing revenue.

	 SONGTRUST	Traditional Publishing Deal
Deal Length	Cancel at any time after one year	Locked into a longer term usually three or more years
Accounting	Pays four times per year	Pays only two times per year
Copyright	Keep 100% of the copyright	Give publisher 25-50% of your copyright
Sync Rights	Control your sync rights	Give up sync rights for publisher to exclusively license
Fees	15% fee on publishing royalties administered. Client receives 85%	Varying percentage of all royalty streams including upwards of 50%
Tech	Technology-focused and client-centered	Manual process

WHAT SONGTRUST OFFERS

-  Registration with a collection society, if you're not already affiliated (for no additional application fee)
-  Claiming and monetization tools for songs that stream on Youtube
-  Unified global song registration with performance and mechanical collection societies worldwide, verified by ISRC data
-  Responsive and sophisticated client services
-  Global royalty collection utilizing an extensive network covering over 98% of the global music market
-  Authoritative, up-to-the-minute, educational resources about songwriting and music publishing
-  Live international setlist submissions so you can collect your live performance royalties
-  Detailed royalty reports and seamless payment by direct deposit

With Songtrust powering your global publishing administration, though, you can focus on what matters most: making music and developing your career. Our mission is, simply, to build a better music publishing industry. We strive toward that by educating songwriters, and by offering a low-cost and truly global administration solution that is accessible to all.

We believe that the key to a fairer, more equitable, and more inclusive music industry it to ensure that music creators all over the world, in all genres, and at all stages of their career understand their rights, and know how they can ensure they're collecting all the royalties their songs earn.

A large, stylized green number '10' is positioned in the background. The '1' is a simple vertical bar with a short horizontal top bar. The '0' is a thick, rounded circle. The text is overlaid on this graphic.

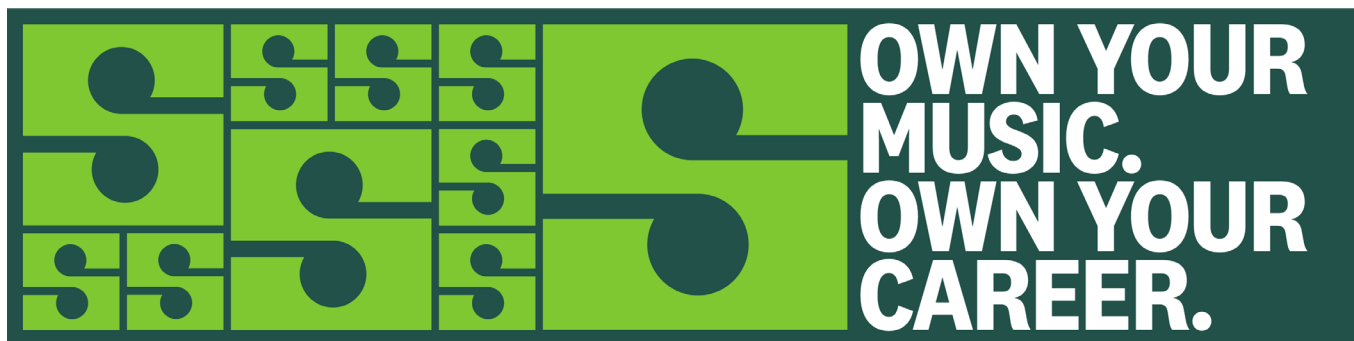
**WHAT'S
AHEAD:
THE FUTURE
OF MODERN
MUSIC
PUBLISHING**

If there's one thing we hope you've gleaned from this guide, it's the fact that there's never been a better time than now to be a songwriter. From SoundCloud to Spotify, from TikTok to the next biggest platform, and the one after that, it's as if every passing year brings new ways to embolden and empower yourself as a creator — to write, record, and distribute music in a way that works for you.

You can also connect and communicate directly with your audience, forming a deeper bond across the board through loose Instagram Live sessions, viral TikTok videos, emotional Twitter exchanges, and other methods of spreading original music throughout the world 24 hours a day, 7 days a week. Of course, success isn't simply measured in followers and likes; at the end of the day, music publishing is still a business that's reliant on revenue and returns. The good news is that many corners of the music industry saw a spike in sales and streams in recent years.

According to the [RIAA's annual year-end report](#), 2020 saw a 9.2% increase in recorded music revenue, a 13.4% increase in streaming, a 3.9% increase in digital radio, and a staggering 16.8% jump in ad-supported, on-demand listening.

Meanwhile, paid music subscriptions within the U.S. grew by 15 million users in 2020 — the largest single year increase yet. Which makes sense when you look at Spotify, one of the biggest players within the streaming music space. While the platform hosted 8 million creators and 60,000 daily tracks throughout 2020, Spotify is estimating a crowded market of approximately 50 million creators and 375,000 daily tracks by 2025. This falls right in line with industry-wide predictions that show 2019's fairly respectable \$21 billion in streaming revenue ballooning to \$78 billion by 2027.



This huge change is one of the main reasons Songtrust was a major proponent of passing the **Music Modernization Act (MMA)** in 2018. Taken in tandem with recent copyright reforms in the EU, it's largely considered the most significant bill impacting U.S. songwriters in more than a century.

One of the most important mandates of the MMA was the creation of [The Mechanical Licensing Collective \(The MLC\)](#), which officially launched in January 2021. The MLC is a nonprofit organization that administers blanket mechanical licenses to streaming services within the U.S. and pays the interactive, mechanical streaming royalties we mentioned earlier to songwriters, lyricists, and publishers.

If you're a Songtrust member, your songs will be registered with The MLC on your behalf along with other pay sources in the U.S. and more than 245 countries and territories around the world. We can also help you manage such increasingly important sources of revenue and royalties as micro-sync licenses — an essential part of the equation for any rightsholder with a YouTube presence.

No matter where the trend lines lead in the months and years to come, it's important to remember the steps that keep independent songwriters covered for global royalty collection worldwide, including:

- Releasing your music through an independent distributor (CD Baby, Distrokid) so it can be placed on such DSPs as Spotify, Apple Music, and Amazon Music
- Affiliating with a collection society (e.g., BMI or ASCAP in the U.S.) so that you'll be correctly identified as a songwriter within the publishing industry
- Registering your songs with a publishing administrator like Songtrust to ensure you are collecting publishing royalties from performance and mechanical societies worldwide
- Registering your songs with SoundExchange for non-interactive digital radio royalties on auto-generated, algorithmic services like Pandora.

We know the future of the music business is creator-driven and built on empowering artists with the tools they need to own their careers. Whether you are an independent music creator, an experienced songwriter, or a publishing company, following these steps will help keep you in control of your career and your royalties - which can be a full-time job without partners like Songtrust helping you get it done.

This way you'll never lose sight of what got you this far in the first place: the music.

11

GLOSSARY

Administration - The practice and process of business functions relating to individual compositions or a catalog of compositions. This includes registering works with collection societies, registering copyrights, issuing licenses directly or via a collection society or agent on behalf of the copyright owner, collecting and distributing fees and royalties, and all other responsibilities that relate to the use of a musical work and/or sound recording.

Administration Agreement (Deal) - A partnership deal in which a songwriter contracts with a publishing administrator. In this arrangement, the songwriter keeps 100 percent ownership of the copyright and pays an administrative fee to the publisher/administrator. The administrator usually provides limited or no creative services.

Administrator - A professional who supervises finances and copyright matters for a song or catalog. An administrator's primary role is to protect song copyrights, collect royalties, issue licenses, and ensure that songwriters are paid properly. All major publishers and most independents handle administration for the catalogs they own and control internally. Smaller publishers and many individual songwriters who don't want to give up their copyrights sign deals with companies like Songtrust that focus exclusively on providing administration services without taking an ownership interest.

Advance - In this context, the payment a songwriter receives when signing a contract with a publishing company. Advances are typically recoupable, which means that the publishing company collects and keeps the songwriter's royalty income until the amount of the advance has been repaid.

Affiliation - Affiliation means becoming a member of an organization or society and granting them a number of rights and responsibilities regarding your works. These include licensing, tracking, and protecting usage of your songs, authorizing other societies through reciprocal agreements, licensing rights to your songs on your behalf, and accounting for and paying royalties out to you, the songwriter.

Blanket License - A license issued by a rightsholder or their representative that provides for use of their entire catalog for a predetermined period of time. Examples of blanket licenses include those signed by digital service providers like Spotify with performing and mechanical rights organizations, or the agreements that radio stations make with performing rights organizations in order to broadcast their clients' works.

Co-Publishing Agreement - A publishing agreement in which a songwriter assigns a certain percentage of their copyright to a publishing company in exchange for creative and administrative services. Songwriters are often paid an advance under these agreements.

Co-Writer - Any person who contributes to a composition along with you. (A co-writer may be a songwriting collaborator you work with in the studio, but also, less obviously, could be the original writer of a song you sample.)

Collection Societies - Collection societies are organizations that protect, register, license, and collect royalties for their members' works. The most commonly known types of collection societies are PROs (performing rights organizations), CMOs (collective management organization), and MROs (mechanical rights organization). When you join a collection society, you are giving them the right and responsibility to track the usage of your works for their rights types, account for them,

and pay you accordingly. Collection societies are a key pay source, but not all pay sources are collection societies.

Collective Management Organizations (CMOs) - These non-profit organizations are responsible for licensing, tracking, and collecting publishing royalties earned, and then paying them out to the respective songwriters and/or publishers. CMOs generally have an open and non-discriminatory criteria to join, are owned by its members, and typically need legal authorization to operate. Each CMO operates within a specific country or territory and may vary in the type of royalties they collect.

Commission - In this context, commission is the percentage an administrator retains of royalties collected before paying them out to their client. Commissions are the primary - and sometimes only - way in which administrators are paid for their work on a client's catalog.

Composition - The elements that make a specific song (not a specific recording) unique, such as melody, lyrics, and beat. A composition can have many recordings.

Compulsory License - An exception to U.S. copyright law that grants permission to anyone wishing to use a songwriter's work - whether or not the songwriter wants to grant the license - if the song has already been commercially released. Compulsory licenses must be issued for physical reproductions of a song (such as an LP, CD, or digital download), streaming a song, for use in cable television rebroadcast, on the Public Broadcasting System (PBS), or in jukeboxes.

Copyright - The rights granted by law to the creator of an original work. A creator (e.g., a songwriter or author) is entitled to the right to copy, distribute, and adapt their work. Under U.S. copyright law, as soon as you make a tangible copy of a work, you own its copyright. Put another way, if you imagine a song in your head, you have no copyright—but once you write the song down or record it, you are its copyright holder.

Copyright Act - The Copyright Act of 1976 is a United States law spelling out the basic rights of copyright holders. It codifies the doctrine of "fair use," and adopts for most new copyrights a unitary term based on the date of the author's death rather than the prior scheme of fixed initial and renewal terms. It protects musical works including songs and any accompanying words as well as orchestral works, librettos, and other musical compositions. A separate copyright protects individual recordings of musical compositions.

Copyright Registration - A record stating the date of a work and its content so that in the event of infringement or plagiarism, the copyright owner can produce a copy of the work from an official source.

Copyright Royalty Board (CRB) - The CRB consists of three U.S. judges who are responsible for setting statutory royalty rates for compulsory mechanical licenses. This board periodically sets the statutory mechanical royalty rate, which for physical and download track sales is currently 9.1 cents per track or 1.75 cents for each minute of playing time, whichever is greater. Visit the Copyright Royalty Board website (www.crb.gov) for more.

Derivative Work - Any work that is based on or uses elements from a pre-existing work. This can be a translation, dramatization, fictionalization, art reproduction, abridged or condensed version, or any other transformation or adaptation of an existing work. (For example, Kanye West's

“Stronger,” which samples Daft Punk’s “Harder, Better, Faster, Stronger,” is considered to be a derivative work because it uses elements from a pre-existing song.) Under U.S. copyright law, the only person who can grant the rights for a derivative work to be created is the holder of the copyright for the original work.

Digital Service Providers (DSP) - A Digital Service Provider (“DSP”) is an entity that provides digital music services (whether streaming, downloads, or both), via computer or phone networks. DSPs tend to focus on driving almost all interactions online and across devices. Examples are Apple Music, Spotify, and Deezer.

Exclusive Songwriter Agreement (“Staff Writer” Contract) - A contract with a publishing company in which a songwriter assigns the entire publisher’s share of any songs written during the term of the agreement to the publishing company. In return, the songwriter receives advances on a regular basis (similar to being paid a salary), which are then generally subject to recoupment by the publishing company.

Exploitation - In this context, “exploit” means to monetize a music composition. Releasing a recording of a song in physical or digital form, issuing a sync license for use of a song in a TV show, and licensing a song to DSPs or radio stations, are all examples of exploiting a work.

Fair Use - An exception to the exclusive rights granted to the copyright holder of a creative work. If something falls under the doctrine of “fair use,” another party can use the copyrighted material in a limited way without acquiring permission from the rightsholder. In certain situations, parody, commentary, search engines, criticism, news reporting, research, teaching, library archiving, and scholarship may be considered fair use.

Intellectual Property - Any conceptual product that has commercial value. This includes any form of creative expression and knowledge (such as symbols, names, and images), whether copyrighted or not. Intellectual property can be protected through copyrights, patents, trademarks, and trade secrets laws. For example, Nike’s signature checkmark logo is protected through trademark, and Coca-Cola’s secret recipe for Coke is protected through trade secrets law. Visit the World Intellectual Property Organization website (www.wipo.int) for more information.

Interactive/Non-Interactive Streaming - Interactive or “on-demand” streaming services (like Spotify, Tidal, or Apple Music) allow listeners to choose what recordings they listen to, and they generate both performance and mechanical royalties. Non-interactive streaming services (notably Pandora) - sometimes loosely referred to as streaming radio - in which the listener does not choose the specific songs, pay only performance royalties.

Interested Parties Information (IPI) - A nine-digit number used to uniquely identify a songwriter or publisher. The IPI database replaced the CAE database as the industry standard in 2001, but the two are often used interchangeably. There are a few CMOs that assign their songwriters both an IPI and a CAE - but you’ll know if you’re a member of one of these. Rightsholders are assigned IPI numbers when they’re granted membership to a PRO. Your IPI number is not the same as your collection society account or member number.

International Standard Recording Code (ISRC) - A 12-character alphanumeric code used to identify a unique sound recording. One song can have multiple ISRCs if the song has been recorded, remixed, or edited more than once. Publishers, collection societies, and music services use ISRCs

to match master recordings to underlying compositions. ISRCs are typically assigned by labels or distributors. An ISRC looks like this: US-S1Z-99-00001.

International Standard Work Code (ISWC) - An 11-character alphanumeric code used to identify a unique musical composition. A song only has one ISWC, but arrangements, adaptations, and translations should receive their own unique ISWCs, as they represent new works and often have new songwriter share splits. ISWCs are issued by collection societies upon work registration. An ISWC looks like this: T-123.456.789-Z.

Letter of Direction (LOD) - The formal notice to a collection society that a publisher will be taking administrative control of a songwriter's catalog on that songwriter's behalf.

Mechanical License - A mechanical license is granted by a rightsholder to a licensee that enables them to reproduce (digitally or physically) an original composition.

Mechanical Rights Organization (MRO) - A type of collection society that is responsible for the administration of mechanical licenses and, depending on the MRO, the collection and payout of mechanical royalties to publishers. Oftentimes, if a territory or country does not have a single CMO responsible for both performance and mechanical royalty collections, they split these responsibilities between a PRO and a MRO.

Mechanical Royalties - Royalties earned through the reproduction of copyrighted works in digital and physical formats. Songwriters are paid mechanical royalties per song sold, downloaded, and streamed via "on-demand" streaming services.

Mechanical Rights - The rights to reproduce and distribute copyrighted musical compositions (songs) on CDs, records, tapes, ringtones, permanent digital downloads, interactive streams, and other digital configurations supporting various business models, including locker-based music services and bundled music offerings. Mechanical rights are obtained via mechanical licenses.

Micro-Sync Royalties - Royalties earned by the synchronization of music with moving images in online platforms like YouTube or TikTok, including user-generated videos. Depending on the platform, these uses usually generate both performance and mechanical royalties, as well as additional revenues for the video creator/uploader and the recording owner.

Music Distribution - Distribution is the way that recorded music gets into the hands of consumers, whether in the form of physical product shipping to brick and mortar storefronts, or digital files being uploaded to Digital Service Providers for download and stream. Because digital music is much less expensive to produce and distribute than in the physical product era, the once-inaccessible distribution aspect of releasing music is now widely available to creators via platforms like CD Baby and DistroKid.

Music Modernization Act (MMA) - A major piece of U.S. music business legislation passed in 2018, the MMA is intended to improve the financial landscape for artists, songwriters, and publishers through updates to the regulations around royalties from online streaming services and other outlets. One major piece of the MMA was the creation of The Mechanical Licensing Collective (The MLC).

Music Publishing - The business of acquiring, protecting, and promoting song (composition)

copyrights and collecting the royalties that these copyrights generate. Music publishing ensures that songwriters get paid fairly when their intellectual property—their musical works—are used by companies such as record labels (which pay mechanical royalties); radio stations, bars, and restaurants (which pay performance royalties); or film studios and advertising agencies (which pay sync license fees), among others. Music publishing pays royalties only to the writer of a song, not to performing artists or recording owners.

Music Supervisor - This person, often employed by a studio or advertising firm, selects the music to be used in an audiovisual production such as a film or TV show. The music supervisor may also be responsible for acquiring the necessary licenses for the music uses selected.

Neighbouring Rights - The public performance right associated with a recording copyright. Also called “related rights,” neighbouring rights are similar to the public performance rights associated with compositions, but they are paid to recording owners (usually labels) and performing artists, rather than songwriters and publishers. In the U.S., this is called a “digital performance” right and is only recognized for non-interactive digital transmissions, such as satellite and digital radio (e.g., Sirius XM and Pandora) - notably not for broadcast radio.

Notice of Intention (NOI) - A legal document, pertaining to Section 115 of the U.S. Copyright Act, that is required to record or distribute someone else’s original composition. Sending an NOI to the original copyright owner of the composition is necessary in obtaining a compulsory mechanical license.

Pay Source - A pay source is a general term to identify any rights organization, collection society, or digital service provider that pays out royalties earned for the use of a song.

Performance Royalties - Royalties collected when a composition is broadcast (e.g. on the radio) or publicly performed (e.g. live in concert or over the speakers at a nightclub). Performance royalties are collected by performing rights organizations such as ASCAP in the U.S., and by PROs or collective management organizations, such as SACEM in France.

Performing Rights Organization (PRO) - PROs are responsible for collecting income on behalf of songwriters and music publishers when a song is publicly broadcast or performed. Public performances can include play on television or radio, in clubs and restaurants, on websites, or on other broadcasting systems. PROs collect license fees for this usage which they pay to their registered songwriters after taking a small fee.

Printed Music Royalties - Royalties collected for the sale of printed sheet music, including musical notation and lyrics, separately or in combination. Printed music royalties are generally paid directly to the publisher and will vary depending on the usage type and whether it’s a physical or digital reproduction.

Producer - In this case, the “producer” of a song oversees the performers, mixing, and arrangement of a song and/or a specific recording of a song. They often own the studio and will retain session performers and other subcontractors. Producers often collaborate in the songwriting process and therefore are part of the song’s overall share picture. In this case, the producer is a songwriter and is generating songwriting royalties which they can collect.

Public Performance - Public performance includes transmission or broadcast of a work outside

of a closed group, and includes digital streaming, television or radio broadcast, played over the speakers in clubs and restaurants, on websites, or on other broadcasting systems.

Publisher Share - The publisher share, or “publisher’s share of performance,” is the portion of performance royalties that is paid over to a publisher, publishing administrator, or to the songwriter if they are self-published. It is distinguished in this way from the writer share.

Publishing Administrator - A third-party publisher that for a fixed term controls all licensing and the collection of publishing revenue streams on behalf of a composer or copyright owner.

Publishing Agreement - A legal contract between a composer/lyricist/author/songwriter and a publisher.

Retroactive Royalties - Retroactive royalties are unallocated royalties that are waiting to be paid out to the copyright owners. This happens when songs aren’t registered correctly or the contact information for the songwriter is unavailable. These royalties generally sit at the collection society for a length of time, which varies based on the society, until they enter the black box. Refer to unallocated royalties for more.

Rights Administration Entity (RAE) - RAEs are a type of organization that issues mechanical licenses and collects and distributes mechanical royalties. Unlike CMOs, RAEs are for-profit organizations, they can discriminate as to who they accept as members, and do not need legal permission to operate as they are privately-owned. An example in the U.S. is Music Reports (MRI).

Royalties - Payments made on a per-use or blanket basis as established by a license agreement. In the context of music publishing, royalties refer to the income earned through the use of a song. This can include album sales, digital downloads, streams, radio airplay, and a host of other forms through which songs earn income for songwriters and music publishers.

Sampling - The act of taking material from a previously existing sound recording and incorporating it into an entirely new sound recording and composition. Sampling began as a technique used by experimental composers but became a popular production technique in early hip-hop, and was later adopted by almost all other popular music genres. In order to use a sample legally, you must come to a legal agreement with the composition owner as well as the sound recording owner.

Songwriter - A songwriter is anyone who creates any part of a musical composition - whether it’s the lyrics, beat, underlying melody, chorus, hook, or other element.

Split Sheet - A signed document that outlines the shares of an individual musical work each co-writer will control. A split agreement should be finalized between collaborators before it is exploited commercially in any way, including commercial release to streaming services.

Sync License - An agreement for the use of music in an audiovisual project. Sync (short for “synchronization”) licenses must be obtained from both the composition rightsholder and the recording rightsholder to clear a usage.

The Mechanical Licensing Collective (The MLC) - The MLC is responsible for providing blanket licenses to all streaming services in the U.S., and to collect and distribute all resulting royalties. The MLC’s remit is to attempt actively to match as many unmatched royalties and compositions

with the correct rightsholders as possible, and in that connection, it is responsible for creating and maintaining a publicly-accessible database of works, songwriters, rightsholders, and related recordings. The MLC was established as part of 2018's Music Modernization Act.

U.S. Copyright Office - The U.S. government body that maintains records of copyright registration. A work is technically copyrighted once it's in tangible form, but registering it with the U.S. copyright office is an additional way to protect its copyright. In order to file an infringement action (i.e., to recover damages or stop someone from using your copyright without your permission), your work needs to be registered with the U.S. Copyright Office. Visit copyright.gov for more.

Unallocated Royalties - Sometimes called "black box" royalties, these are royalties for which a publisher or writer is named but cannot be traced by a pay source. Writers who earn royalties for usage but cannot be found are often referred to as "lost" writers. After an established waiting period, these royalties are no longer payable and are generally distributed by top earners by market share.

User-Generated Content (UGC) - User-generated content, or "UGC," in the context of song rights, refers to content created by a platform's users (e.g. YouTube or TikTok) that contains copyrighted music. This is often unlicensed or subject to a blanket use license between the platform and the rightsholder.

Work-For-Hire - In this context, an agreement in which a songwriter composes a musical work within the scope of their employment for another entity and does not retain copyright or publishing ownership over the work. Work-for-hire agreements are common in film, TV, and advertising, in which production companies often hire composers to create music specifically for their projects. Instead of receiving an initial fee and subsequent royalties, a work-for-hire creator receives only a one-time up-front fee for their work.

Writer Share - The writer share, or "writer's share of performance," is the portion of performance royalties that is paid directly to a songwriter, whether or not they have a publisher. It is distinguished in this way from the publisher share.



and many more..

SONGTRUST DIRECT SOCIETY RELATIONSHIPS

ABRAMUS - Brazil	GEMA - Germany	SABAM - Belgium
ACUM - Israel	HDS - ZAMP - Croatia	SACEM - France
AKKA-LAA - Latvia	HFA - USA	SACM - Mexico
AKM - Austria	ICE - Europe	SAMRO - South Africa
AMCOS - Australia	IMRO - Ireland	SESAC - USA
APRA - Australia	JACAP - Jamaica	SGAE - Spain
APRA - PAL - Australia	KODA - Denmark	SIAE - Italy
ARTISJUS - Hungary	LATINAUTOR - Latin America	SOCAN - Canada
ASCAP - USA	LOUDR - USA	SPA - Portugal
AUME - Austria	LYRICFIND - USA	STEMRA - Netherlands
AUTODIA - Greece	LOUDR - USA	STIM - Sweden
BMI - USA	LYRICFIND - USA	SUISA - Switzerland
BUMA - Netherlands	MCPS - United Kingdom	TEOSTO - Finland
CAPASSO -	MEDIANET - USA	TONO - Norway
South Africa	MUSICAUTOR - Bulgaria	UCMR - ADA - Romania
CMRRA - Canada	MUSIC REPORTS (MRI) - USA	WAMI - Indonesia
COMPASS - Singapore	NCB - Denmark	ZAIKS - Poland
COSCAP - Barbados	OSA - Czech Republic	
ECCO - St. Lucia	PRS - United Kingdom	

Songtrust maintains 65 direct collection relationships in 215 countries and territories around the world, ensuring our clients have access to the largest network of pay sources for their royalty collection.

To speak with a publishing specialist about Songtrust or your music publishing, reach out at songtrust.com/support.