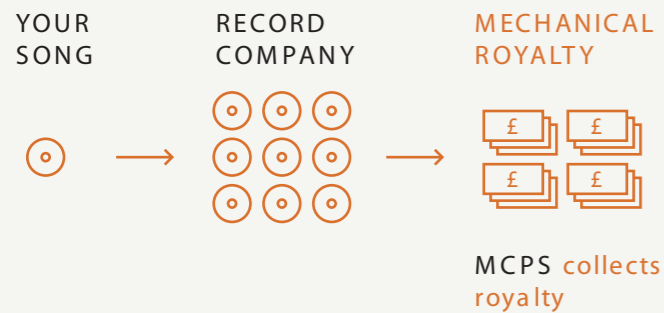


MCPS AND THE MECHANICAL ROYALTY

Every time copies are made of your work, a royalty is payable. So for example every time a record company makes another CD of your song, a royalty is payable.



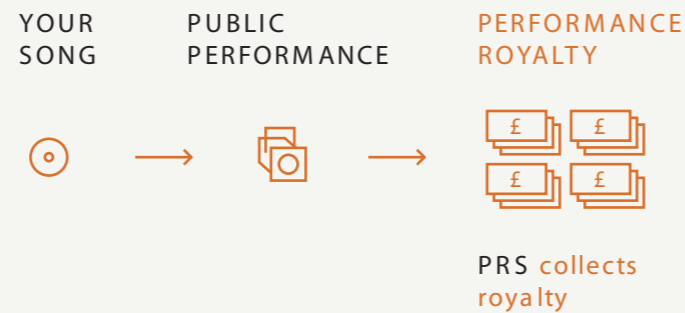
Record companies have to supply details of all the recordings they manufacture and pay royalties quarterly to the MCPS. This royalty is known as the "MECHANICAL ROYALTY".

The MCPS presently collect a statutory rate of 8.5% of dealer price in the UK from record companies for the sales of records and 12% of gross on downloads (currently reduced to 8%, but watch out for changes). It is the role of the MCPS to collect these mechanical royalties on behalf of composers and publishers.

The MCPS collects mechanical royalties in respect of recordings manufactured in the UK. They can also collect worldwide royalties through their various affiliates around the world such as GEMA (in Germany) and the Harry Fox Agency (in the USA).

PRS AND THE PERFORMANCE ROYALTY

The PRS also collects royalties from exploitation of the musical work but PRS is only concerned with the public performance of the musical work rather than the copying of the musical work.



The royalties that PRS collect are known as "PERFORMANCE ROYALTIES". Performance royalties are paid every time the musical work is performed in public or broadcast. So for example, all of the radio stations and television broadcasters are obliged to pay royalties for the use of any musical works that they broadcast. These royalties are paid to the composer and publisher via the PRS.

In the case of radio stations and television broadcasters they are obliged to provide the PRS with what are known as "cue sheets" which set out all of the details of the music that has been broadcast and royalties are paid on the specific works. By using the cue-sheets the PRS can work out if music has been used and which writers are entitled to the income received.

In addition, the PRS issues licences to venues which play or broadcast music. So for example restaurants, shops and night-clubs that play music will be committing an offence if they do not obtain a PRS licence. The income from blanket licences cannot be allocated to a specific artist because cue sheets are not provided.

The PRS collects and distributes many millions of pounds of income on behalf of its 40,000 members. The PRS and MCPS have formed an operational alliance in the interests of efficiency. Joining fees are currently £100 for PRS and £50 for MCPS.

MCPS will collect the mechanical royalty and distribute the money to the writer via the publisher (or directly to the writer if their works are not published).

PRS will collect the performance royalty and then pay 50% direct to the writer and 50% to the publisher. If a work is unpublished, the writer will receive 100%

Royalties from synchronisation (i.e. the right to use the music in conjunction with pictures or images (e.g.) in films, videos, commercials) and from the publication and sale of sheet music are negotiated and collected directly by the music publisher.

NOTE

There is a difference between the royalty from PRS for a performance of a work and the royalty from PPL for a performer (see P63)

SONGWRITING SPLITS – who gets what share?

If you have co-written a song with someone else, then the royalties will be divided according to your share of that song. The recognised share from writing a song is usually divided into two, allowing 50% for the music and 50% for the lyrics. Writers should agree and divide the shares prior to embarking on a career for the obvious reasons that fame may happen and court cases may follow!

example

A song has been written by four members, as follows:

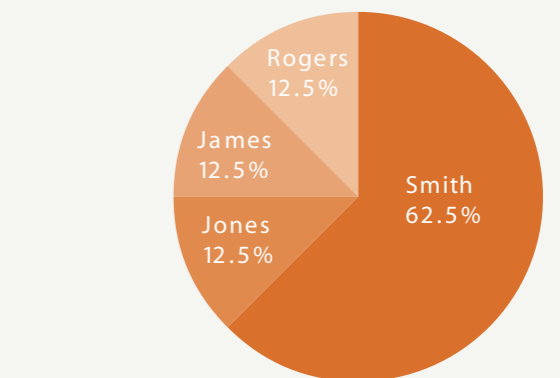
Lyrics written by Smith



Music written by Smith, Jones, James and Rogers



The shares would usually be allocated in this way, unless the band has made an agreement to the contrary:



Smith has written all the lyrics and one quarter of the music and therefore owns 62.5% of the song.