

sodrac
now part of SOCAN

Distribution Rules



Society for reproduction rights of authors, composers and publishers in Canada
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V. June 2017

1- Introduction

- 1.1- General information
- 1.2- Interpretation
- 1.3- Excerpt from the By-Laws of SODRAC 2003 Inc.

2- Audio Distribution

- 2.1- Phonographic reproduction
- 2.2- Commercial radio, community radio, satellite radio and pay audio service
- 2.3- Online audio works
- 2.4- Ringtones
- 2.5- Background music

3- Audiovisual Distribution

- 3.1- Television
- 3.2- General synchronization license
- 3.3- Individual synchronization license
- 3.4- Audiovisual works (physical)
- 3.5- Musical audiovisual works (physical)

4- Other types of distribution

- 4.1- Distribution of rights to affiliated companies
- 4.2- Rights from affiliated companies
- 4.3- Private copying
- 4.4- Quebec's Ministère de l'éducation
- 4.5- Sound recordings

5- Distribution terms and conditions

- 5.1- Documentation of works and allocation of shares
- 5.2- Unidentified works
- 5.3- Public domain works
- 5.4- Protected work with musical arrangement and/or adaptation of lyrics

6- Administrative practices

- 6.1- Payment of royalties
- 6.2- Account adjustment
- 6.3- Management of advances
- 6.4- Distribution - General Agreements
- 6.5- Distribution of rights to non-members
- 6.6- Non assignable
- 6.7- Method of payment
- 6.8- Resignation of a member
- 6.9- Administration fees
- 6.10- Commission rate

7- Visual Arts and Crafts

- 7.1- Individual license
- 7.2- General License
- 7.3- Reprography



1- Introduction

The Society for Reproduction Rights of Authors, Composers and Publishers in Canada (SODRAC) is a collecting society that abides to the Copyright Act. It is owned by its members and has the status of a non-profit organization (NPO). It collects rights for the reproduction of musical works of authors, composers and music publishers since 1985 and rights to use visual art and craft works since 1997. SODRAC negotiates, on behalf of its members, collective and individual agreements with users of their works (general license or per work), collects the royalties and redistributes them to the rights holders it represents. The royalties are thus allocated pro rata to the sums received, according to the value attributed to each of the works or per work (actual use for work-per-work licenses as well as according to general fee schedules).

SODRAC is a member of the International Confederation of Societies of Authors and Composers (CISAC) and the International Office for Mechanical Reproduction Rights (BIEM).

1.1- General Information

As defined in the Statutes of SODRAC 2003 INC., when the word “member” is used in this text, it means any author or publisher member.

Membership status is granted to the author or publisher whose application for admission has been accepted, who has adhered to the By-Laws of SODRAC and who has contributed his/her rights to SODRAC.

The policy governing the distribution of royalties and its application are in line with the mandatory resolutions of the International Confederation of Societies of Authors and Composers (CISAC).

The royalties are paid four times a year (March 15, June 15, September 15 and December 15), taking into account a reasonable delay for processing the distribution. In cases of individual synchronization licenses for the work or sound recording where the amount is greater than \$250.00 (CAD), the royalties are paid on the 15th and 30th of each month, taking into account a reasonable delay for processing.

Due to the status of SODRAC as a registrant of the Sales and Tax Act, royalties paid are exempt of taxes. SODRAC will issue a statement of income earned for tax purposes in accordance with applicable tax laws.

1.2- Interpretation

The Board of Directors of SODRAC establishes distribution rules for the royalties collected, for each rights category. It is supported by the Distribution Committee, a standing Ad Hoc committee whose purpose is to establish the administrative practices and the rules specific to each allocation, and then to submit its recommendations to the Board of Directors. These principles and procedures for the allocation of royalties aim to establish fair and equitable methods of allocating reproduction rights to our members as well as members of affiliated societies. The Board of Directors and the General Management are solely responsible for the application and interpretation of the rules of distribution.

These distribution rules may be amended by the Board of Directors of SODRAC.

1.3- Excerpt from the By-Laws of SODRAC 2003 inc.

Powers and Duties of the Board

6.26 The Board, with the support and assistance of the Executive Board and the General Manager, shall conduct the activities and affairs of the Society and shall have powers of full administration for such purpose. The Board shall establish the major orientations of the Society and shall implement the decisions of the general members' meetings. The Board shall authorize the expenses of SODRAC, shall decide to deal, contract, transact and arbitrate on behalf of SODRAC and shall decide to perform all acts of administration generally.

6.27 Without limiting the generality of the foregoing, and in addition to the powers provided for by the Act, the Articles and the By-laws, the Board may:

- (a) pass the necessary By-laws and amendments to the By-laws, and submit them to the members;*
- (b) adopt Policies designed to fulfil the objects of SODRAC or to implement the Articles and By-laws or the decisions of the Board;*
- (c) establish the dates of distribution of the royalties to the members;*
- (d) establish the administrative fees retained from the royalties collected for the members, which may vary from one case to another;*
- (e) establish, for each class of rights, the principles and terms and conditions of distribution of the collected royalties;*
- (f) accept any contract for the Administration of copyright;*
- (g) acquire and alienate, by gratuitous title or by onerous title, both movable and immovable property;*
- (h) designate the Persons who shall be authorized, on behalf of SODRAC, to endorse titles or instruments or to sign bills, notes, receipts, acceptances, checks, discharges, contracts and documents;*
- (i) decide on the creation of any committee or commission to assist the Board in its conduct of the affairs of SODRAC;*
- (j) fix the remuneration of the Public Accountant and fill any casual vacancy in the office of Public Accountant, except where the Public Accountant is removed by a decision of the members;*
- (k) establish any fund dedicated to objectives that are consistent with the fulfilment of its objects.*



2- Audio distribution

2.1- Phonographic reproduction

These rules apply to phonographic reproduction on any physical audio media including DVD, CD, vinyl records, cassettes, karaoke, midi files, USB sticks.

Origin

The collection conditions are established by reproduction licenses issued to producers, whether or not they are parties to a general agreement with SODRAC, and to producer collectives in Canada. The sums are collected per work.

In the case of karaoke products, SODRAC shall collect the reproduction rights for the phonographic recording of the work and shall collect the rights for reproduction of the lyrics upon request of the members.

Collective agreements are signed with producer collectives. The SODRAC-ADISQ (Quebec Association for the Recording, Concert and Video Industries) agreement brings together the majority of record producers in Quebec. The agreement with Music Canada brings together the major Canadian companies, Sony, Universal, and Warner. SODRAC also has direct agreements with individual producers.

Collection and processing of data

Users provide a list of the products and works they make available on the market. Following analysis of the data, reproduction licenses are issued for each work according to the represented repertoire. Users then provide sales reports containing information about the works and the quantity of media supports manufactured or sold.

Distribution rules

The sums are distributed by work according to the quantities declared by the users multiplied by the rate of the license issued by SODRAC, all according to the percentage of representation held by SODRAC. The licenses have a rate per work (penny rate).

Calendar

SODRAC distributes royalties according to the reporting dates provided for in the various general agreements.

2.2- Commercial radio, community radio, satellite radio, pay audio service

These rules apply to the distribution of royalties collected for the reproduction of works of the SODRAC repertoire by commercial, community and satellite radio stations, by Radio-Canada (SRC) -Canadian Broadcasting Corporation (CBC) radios and pay audio services.

A commercial radio is a privately owned broadcasting undertaking licensed by the Canadian Radio-television and Telecommunications Commission (CRTC). The station's signal can be transmitted simultaneously over the Internet, unaltered and in real time.

A community radio is a non-profit organization that holds a community radio operation license issued under the Broadcasting Act.

A satellite radio service is a broadcasting undertaking that holds a CRTC license to operate a multi-channel, subscription or similar service for the distribution of audio over a number of satellite channels and/or by land and which is received directly by subscribers for their private use.

Pay audio services are ad-free music programming services produced in Canada and elsewhere. Each service only broadcasts music without animation and is dedicated to a particular musical genre.

Origin

The sums collected are lump sums.

Commercial Radio: The Copyright Board has approved a tariff of royalties to be collected by CMRRA-SODRAC INC for the reproduction of musical works in Canada.

Community Radio: The amounts collected from community radio stations are included with the distribution of CBC-SRC radio for the corresponding periods and no separate pages are produced.

Satellite Radio: The Copyright Board first certified a tariff of royalties to be collected by CMRRA-SODRAC INC for the reproduction of musical works in Canada by multi-channel satellite radio services by subscription for 2005 to 2010. For the years 2011 to 2018, CMRRA-SODRAC INC negotiated an agreement directly with the only radio provider Sirius XM satellite.

CBC-SRC: Conditions of license are established by agreements negotiated by SODRAC or set by the Copyright Board.

Pay audio services: The conditions for collection are established by agreements negotiated by CMRRA-SODRAC INC.



Collection and processing of data

Commercial Radio: CMRRA-SODRAC INC acquires, from the Society of Composers, Authors and Music Publishers (SOCAN), the results of distribution for commercial radio.

Community Radio: CMRRA-SODRAC INC acquires, from the Society of Composers, Authors and Music Publishers (SOCAN), the results of distribution for community radio.

Satellite Radio: CMRRA-SODRAC INC acquires, from the Society of Composers, Authors and Music Publishers of Canada (SOCAN), the results of distribution for satellite radio.

CBC-SRC: CMRRA-SODRAC INC acquires, from the Society of Composers, Authors and Music Publishers (SOCAN), the results of distributions for CBC-SRC.

Scale

The value of the reproduction rights of a work when distributing sums received in the context of general agreements may be influenced by:

- the amount of the fees collected in the corresponding distribution category (commercial radio, satellite and pay audio services);
- the number of works represented and included in the distribution;
- the shares represented by SODRAC in each of the works.

All radio stations in the same category are combined together in the same distribution (except for community radio and CBC-SRC radio).

SOCAN Rules

SOCAN collects the necessary information according to its rules (clause 7 of SOCAN's distribution rules).

7 Distribution - Radio & General, Pay Audio and Satellite Radio Performances

7.01 Duration Credits

The performances analyzed within the Radio & General, Pay Audio and Satellite Radio distributions, unless otherwise stated, shall receive duration credits according to the duration of the music performances as follows:

<i>Duration of Work</i>	<i>Credit</i>
<i>Less than 1 Minute</i>	<i>1</i>
<i>1:00 - 6:59</i>	<i>4</i>
<i>7:00 or longer</i>	<i>One credit per minute</i>

7.02 Exceptions

7.02.01 Commercial Messages and Advertisements (Jingles), Program Promotions (Promos), Public Service Announcements of One Minute Duration or less and similar uses of music.

The performance of music licensed by SOCAN that is contained in commercial messages, program promotions, public service announcements of one minute duration or less and similar uses shall not be analyzed for distribution purposes.

7.02.02 Bridge, Theme, Signature Tunes, Dramatic Music or "fill" music.

The performance of bridge, theme, signature tunes, dramatic music or "fill" music shall receive a credit that is equal to its duration as reported to SOCAN. The duration of the music performed in each calendar quarter and reported shall be total and each second shall be given one forty-fifth of a credit. If no timings are given a reasonable attribution shall be made.

7.02.03 Monologues, comedy routines, poetry and other similar works.

Performance credits claimed for works that are classified as monologues, comedy routines, poetry and other similar works shall be treated as follows:

If there is no musical accompaniment then those works shall not be considered to be within SOCAN's repertoire for licensing or distribution purposes.

If there is musical accompaniment and this musical accompaniment is considered to be dramatic or background music then the music portion shall receive 20% of the credit ordinarily attributed to a composer and the spoken word portion that is performed with that music shall be treated as lyrics and receive the credit ordinarily attributed to a lyricist.

7.02.04 Medleys

Medleys shall receive a credit equal to the actual duration of the medley pro-rated among all of the works contained in the medley.

SODRAC rules

The model applied for the distribution of royalties is:

Use	Weight
Musical theme	20%
Song, instrumental work and background music	100%

Definitions

Music theme: any music that identifies a program and is used at the beginning or end of the show.

Song, instrumental work and background music: any song, instrumental work or background music used on a show.

Distribution rules

The amounts are distributed according to the weight of the work, its type of use (application of the SODRAC scale) and the percentage of representation held by SODRAC.

Calendar

SODRAC distributes the royalties once a year, normally on March 15th.

2.3- Online audio works

These rules apply to permanent and limited downloads, on-demand streaming of digital audio works and webcast.

Origin

The Copyright Board has approved the tariff of royalties to be collected or of agreements reached by CMRRA-SODRAC inc for the reproduction of musical works in Canada from online music services <http://www.cb-cda.gc.ca/tariffs-tarifs/certified-homologues/2013/sodrac5-05-07-2013.pdf>. The rights are distributed by CMRRA-SODRAC inc between the two organizations according to the shares of each. The sums are collected for each use of the work for download and according to the calculation method for transmission, depending on the number of subscriptions, revenues and number of plays for the period.

Collection and processing of data

Online music services provide SODRAC with data about the works to which the consumer has access. The services then provide sales and/or listening reports along with the revenues associated with each activity.

Distribution rules

The sums are distributed by work according to the quantities declared by the users multiplied by the rate of the tariff, all according to the percentage of representation held by SODRAC. Licenses are issued based on a percentage of the sale price.

Calendar

SODRAC distributes royalties four times a year.

2.4- Ringtones

These rules apply to musical works reproduced as ringtones.

Origin

The conditions for collection are established by agreements negotiated by SODRAC with ringtones suppliers. The sums are collected per work.

Collection and processing of data

Users provide SODRAC with electronic files containing information about the works they make available on the market. Following the analysis of the data, reproduction licenses are issued for each work. Suppliers then submit sales reports containing information about the works and the number of files sold.

Distribution rules

The amounts are divided by work according to the quantities declared by the users multiplied by the rate of the license issued by SODRAC, all according to the percentage of representation held by SODRAC. Licenses are issued based on a percentage of the sale price.

Calendar

SODRAC distributes royalties four times a year.

2.5- Background music

These rules apply to the distribution of royalties collected for the reproduction of SODRAC repertoire used as background music.

Background music is assembled music for the purpose of providing preprogrammed lists to customers.



Origin

The collection conditions are established by agreements negotiated by CMRRA-SODRAC INC with the suppliers of background music. The sums collected are lump sums.

Collection and processing of data

The received data are incomplete and the manipulation would not be representative so there is no treatment.

Distribution rules

The sums are added to commercial radio.

Calendar

SODRAC distributes royalties four times a year, taking into account a reasonable time for distribution.

3- Audiovisual

3.1- Television

These rules apply to music used in television programs and are defined by Policy No. 4 dealing with the distribution rules for television and radio.

Origin

General agreements have been concluded with private and public television channels, conventional and specialty. The sums collected are lump sums.

Collection and processing of data

SODRAC analyzes the programming grids of the broadcasters and undertakes the steps to obtain the corresponding musical cue sheets.

Definitions

Prominent song or instrumental work: any song or instrumental work executed by performers or musicians in a show or variety show with audience, excluding the theme and transitions.

Visual Music: any music performed on the screen by performers or characters, or any music that is heard by them, and which is not a prominent song or instrumental work.

Musical theme: any music identifying a program, movie or television series, which is used at the beginning or end of the program, film or series.

Background music: any music that is not a musical theme, visual music, off-program music, or a prominent song or instrumental work.

Off-program music: any music broadcasted between the closing and opening of the television station, in conjunction with the test pattern, texts and images, static images or the display of schedules.

Logo music: music used as logo, signature or callsign identifying a production company, a broadcaster in an audiovisual production.

In-house production of a broadcaster: an audiovisual work produced by the broadcaster or co-produced with an independent producer not affiliated with the broadcaster, to the extent that the broadcaster holds more than 50% of the rights of ownership and copyright in the audiovisual work and, in any case, where the broadcaster controls the production of that audiovisual work and the latter is not eligible for a tax credit or private, public or parapublic financing for independent production.

Pre-existing song or work: any song or instrumental work that has not been the subject of a commission contract or that was not originally composed for the purpose of being used in particular in theme, musical transitions or background music.

Commissioned work: custom-made work commissioned by a third party to be integrated into an original production.

Scale

The royalties collected from a television broadcaster are allocated to the distribution of the same broadcaster.

The value of the reproduction rights of a work when distributing sums received in the context of general agreements may be influenced by:

- the amount of the fees collected in the corresponding distribution category (by broadcaster);
- the number of works represented and included in the distribution;
- the shares represented by SODRAC in each of the works.



The basis of the distribution is the duration of use of the work expressed in seconds. This duration is then valued by applying the coefficients relating to the type of use of the work, the time of broadcast and the broadcast territory. These three criteria make it possible to weigh the value of the works.

Use

<u>Category</u>	<u>Value</u>
Song and instrumental work	100%
Visual music	100%
Opening / closing musical theme	35%
Background music	20%
Off-program music	0.5%
Logo music	5%

Time slot

Between 2 am and 5:59 am	5%
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Territory

National broadcast	100%
Regional broadcast	50%

Will be credited as Song and Instrumental Work:

- Choreographed dance music
- Videoclips

Will be credited as Visual Music:

- Sketches, monologues, pantomimes

Will be credited as Illustrative Music:

- Music of the opening and closing theme used inside the programs
- Music used in trailers for tv shows or infomercials
- Music used in exercise or aerobics programs

Music broadcast simultaneously on two or more regional stations will be credited according to a national broadcast model.

Music included in advertising messages and jingles, public service announcements of two minutes or less or for related purposes will not be analyzed for distribution purposes.

When the use and duration of a work do not appear on the musical cue sheet, SODRAC will assign an approximate value of the use and duration of the musical content based on the information available until the use and duration concerned are officially confirmed.

TV5 Canada: The fees for this channel only apply to Canadian productions.

TV5 Monde: Rights received for Canadian productions go through SACEM.

Distribution rules

The amounts are divided by work according to the amount collected by the broadcaster, the number of works reproduced by this broadcaster, all according to the percentage of representation held by SODRAC.

Calendar

SODRAC distributes royalties four times a year.

3.2- General synchronization license

These rules apply for a first editing and/or mixing of a musical work with the final editing of an audiovisual work. They concern the reproduction of any musical work for an audiovisual production, such as films, video games, videos for corporate use, television programs, videoclips, websites and commercials.

The license is general in order to allow users to use the repertoire of SODRAC without having to make a request each time a musical work is synchronized to an audiovisual production.

General agreements with broadcasters

These agreements are negotiated with several broadcasters and only concern pre-existing works and commissioned works for internal productions.

SPACQ-AQPM-SODRAC (Société professionnelle des auteurs et des compositeurs du Québec-Association québécoise de la production médiatique)

This agreement provides for the collection of synchronization rights for the authors of commissioned works.



Origin

Amounts are collected from broadcasters (in connection with internal productions) and from independent producers who are members of the AQPM.

Collection and processing of data

The information required from broadcasters is music cue sheets, broadcast reports and the list of programs for which production is the responsibility of the broadcaster.

SPACQ-AQPM-SODRAC

Producers send information about works, rightholders and payments as provided in the agreement.

Distribution rules

The amounts are divided by work according to the amount collected by the broadcaster, the number of works reproduced by this broadcaster, all according to the percentage of representation held by SODRAC.

General agreements with broadcasters

The synchronization rights will be allocated to the musical works contained in programs broadcasted for the first time, all channels combined, by the broadcaster being distributed.

The value given to musical works will be the same whether used in song and instrumental work, visual music or background music.

SPACQ-AQPM-SODRAC

As part of the agreement signed between SPACQ and the AQPM, the royalties collected on behalf of the authors are distributed to the music authors who signed the agreement with the producer.

Calendar

SODRAC distributes royalties four times a year.

General agreements with broadcasters

As part of the agreements signed with the broadcasters, the synchronization rights are distributed at the same time as the distribution of the reproduction rights for each broadcaster.

3.3- Individual synchronization license

These rules apply for a first editing and/or mixing of a musical work with the final editing of an audiovisual work.

It concerns the reproduction of any musical work for an audiovisual production, including films, video games, videos for corporate use, television programs, videoclips, websites and commercials.

Origin

Royalties are collected from independent producers covering synchronization rights with SODRAC. The sums are collected per work. Rights are negotiated and licenses are issued for each work.

Collection and processing of data

Users request permission to reproduce the works represented by SODRAC. Information essential to the issue of licenses is required, such as the title, the duration of the works, the duration of the license, the markets and the distribution territories.

Distribution rules

The sums collected for a work are distributed to the same work.

Calendar

SODRAC distributes royalties four times a year.

SODRAC distributes royalties of more than \$ 250 (two hundred and fifty dollars CAD) on the 15th and 30th of each month.

3.4- Audiovisual works (physical)

These rules apply to audiovisual works, reproduced in particular on DVDs and Blu-Rays, which are films, television programs or other cinematographic works, regardless of their original purpose, excluding audiovisual musical works.

Origin

The Copyright Board tariff (Tariff 5) or user agreements regulate the conditions of the collection for audiovisual works. A distributor that complies with this tariff shall be entitled to reproduce, onto a copy of an audiovisual work, a musical work of the repertoire already embedded into that audiovisual work, or to authorize such reproduction, for the purpose of selling or renting DVDs or other physical copies of the audiovisual work, with or without additional content, to consumers for private use or in connection with the public exhibition of the audiovisual work or of a trailer of the audiovisual work. The amounts collected are a percentage of revenues or a rate per minute.



Collection and processing of data

Users provide the list of audiovisual products and works they make available on the market. Following analysis of the data, representation confirmations are issued for products containing works from SODRAC's musical repertoire. Users then provide sales reports that include information about products, audiovisual works, and the number of media manufactured, sold, and rented.

Distribution rules

For each product, these rights are allocated prorata temporis for all pre-existing musical works originally and composed for production, all based on the percentage of representation held by SODRAC.

Calendar

SODRAC distributes royalties four times a year.

3.5- Musical audiovisual works (physical)

These rules apply to musical audiovisual works consisting predominantly of audiovisual musical content, including a videoclip, a concert, a musical, a variety show, a program of physical exercises, including any extracts of such audiovisual work, but excluding comedy or children's audiovisual works consisting predominantly of music, fixed on any physical support.

Origin

The conditions of collection are established by the reproduction licenses issued to the producers whether they are signatories or not of a general agreement with SODRAC. The sums are collected per work.

Collective agreements are signed with producer collectives. The SODRAC-ADISQ agreement signed with the Quebec Association of Record, Show and Video Industry brings together the majority of record producers in Quebec. SODRAC also has agreements with other producers.

With regard to karaoke products, SODRAC collects the reproduction rights of the phonographic recording of the work as well as the reproduction of the lyrics at the request of the members.

Collection and processing of data

Users provide a list of products and works they make available on the market. Following the analysis of the data, reproduction licenses are issued for each work. Users then provide sales reports that include information about the works and the number of media manufactured or sold.

Distribution rules

The amounts are divided by work according to the quantities declared by the users multiplied by the rate of the license issued by SODRAC, all according to the percentage of representation held by SODRAC. The licenses have a rate per work (penny rate).

Calendar

SODRAC distributes the royalties according to the reporting dates provided for in the general agreements and the distribution.

<u>Producer / Association</u>	<u>Sales period covered</u>	<u>Distribution</u>
ADISQ	1st semester	September and December of the same year
Independent producers	2nd semester	March and June of the following year
Music Canada	1st Quarter	September
Independent Producers	2nd Quarter	December
Independent Producers -	3rd Quarter	March
Limited quantities (PAYP)	4th quarter	June

4- Other types of distribution

4.1- Distribution of rights to affiliated companies

Distribution made to affiliated companies are in accordance with agreements with each of them.

Origin

The rights come from the various music users in Canada having agreements with SODRAC.

Collection and processing of data

Data concerning the uses of the works are treated in the same way as the works of SODRAC members.

Distribution rules

Under these agreements, SODRAC collects royalties from users in Canada and applies the same regulations, standards and licensing rates as those applied to SODRAC members.



Calendar

SODRAC distributes the royalties at the same time as the distribution to its members, four times a year.

4.2- Rights from affiliated companies

Origin

Through its agreements with affiliated companies, SODRAC receives rights for the use of works of its members on foreign territories.

Collection and processing of data

Data on the uses of the works of SODRAC members are sent electronically by affiliated companies.

Distribution rules

The collection and distribution of royalties from these affiliates is in compliance with the laws, rules of distribution and methods of each affiliate.

Calendar

SODRAC distributes royalties four times a year.

4.3- Private copying

Under the Copyright Act of Canada, a musical recording for private use can be legally reproduced. In return, a mechanism has been put in place to compensate the copyright owners inherent in the works thus reproduced: the private copying levies. These royalties are attached to the types of blank audio media (CDs) that are commonly used to reproduce sound recordings.

Origin

Established in 1999, the [Canadian Private Copying Collective \(CPCC\)](#) is a confederal organization that represents songwriters, performers, music publishers and record labels. CPCC is the non-profit organization responsible for collecting and distributing royalties for private copying on behalf of its member societies.

The right for private copying is collected and regulated by the rate of royalties to be collected by the CPCC.

These fees collected by CPCC are shared between SODRAC, SOCAN and CMRRA for works owned by authors, composers and publishers.

Manufacturers and importers of blank audio media must submit reports and payments to CPCC for sold media. The Copyright Board Canada defines the value, scope and nature of the information to be provided, in addition to scheduling reports <http://www.cb-cda.gc.ca/tariffs-tarifs/certified-homologues/2014/20141213.pdf>.

Collection and processing of data

CPCC sends to the different collection collectives electronic files containing information about the works and a score based on cumulative sales of recordings and radio broadcasts for the reference year. SODRAC, SOCAN and CMRRA confirm the shares they represent. When all the collectives have confirmed their claim for a work and there is no dispute over the claimed shares, CPCC distributes the rights to the companies concerned for this work.

Distribution rules

SODRAC claims its members' dues from CPCC and distributes the money received to them.

When there is a dispute over the shares claimed by the various parties, the amounts are not paid by the CPCC until the dispute is settled. According to CPCC rules, non-distributable amounts are redistributed after seven (7) years to collectives based on market shares already paid for the same reference years.

The mechanical rights distribution key is used for claims and distributions made for private copying.

Calendar

SODRAC distributes royalties four times a year.

4.4- Québec's Ministère de l'éducation

There is an agreement between the Ministère de l'Éducation du Québec and SODRAC concerning the processing of any request for the release of the reproduction right of musical work, transmitted by any educational institution of preschool, primary and secondary schools, including their respective staff and clientele, public and private networks (grant-approved institutions that provide general and vocational training for young and adult clients) for any musical work in order to provide educational services in the school setting, including the production of departmental reviews, and extracurricular activities.

Origin

The conditions of collection are established by an agreement negotiated by SODRAC and the Société de gestion collective des droits des producteurs de phonogrammes et de vidéogrammes du Québec (SOPROQ). The sums collected are lump sums.



Collection and processing of data

Reference Distribution Period: July 1 to June 30 (school year)

The amount is distributed to works in SODRAC's repertoire according to the percentage of representation and sales they have generated during the period (sales of phonograms on which they are found).

The amount to be distributed is divided into three categories, a percentage of the amount for the preschool level, another for the primary level and one for the secondary level.

The percentages allocated to each category are determined according to different criteria:

- The school population
- Listening opportunities
- The presence of a student radio and/or music lessons

Each category is assigned its own weight based on different criteria and the results of a survey conducted by an external firm with teachers:

For preschool level:

- Children's albums
- ADISQ radio charts
- SOCAN Classic
- Album sales

For the primary level:

- Children's albums
- ADISQ radio charts
- SOCAN Classic
- Album sales

For secondary school level:

- ADISQ radio charts
- SOCAN Classic
- Album sales

Album sales are weighted according to the language of the work (French or other), according to the anglophone and francophone student populations in Quebec and according to the population of Quebec in comparison with that of the rest of Canada.

SOCAN Classics is a Canadian work that has received over 25,000 hits on the radio since its publication. These works are given a larger weighting for the distribution.

During the distribution process, all these parameters are taken into account. The result obtained at the end of the process is a coefficient for each of the works eligible for distribution. The value of this coefficient determines the amount that will be allocated for this work according to the total amount to be distributed.

Distribution rules

The sums are distributed according to the information collected. SODRAC also clears reproduction rights for works whose management is not entirely carried out by SODRAC. These amounts are distributed in the same manner as described herein, with the necessary adjustments.

Calendar

SODRAC distributes royalties once a year.

4.5- Sound recordings

SODRAC may be mandated by owners of sound recordings for the administration of their rights.

Origin

This rule applies to the distribution of royalties collected when a reproduction license is issued for a sound recording during a first assembly and/or mixing of a musical work with the final editing of another single and distinct work.

It concerns reproductions of sound recordings, particularly in films, documentaries, videos for corporate use, television programs, videoclips, websites, and commercials.

Collection and processing of data

Users request permission to reproduce sound recordings represented by SODRAC. Information required for the issuance of licenses is requested, such as titles, duration of use, duration of license, markets and territories of distribution and the name of the owner of the sound recording.

Distribution rules

The sums collected for a sound recording are distributed to the same sound recording.



Calendar

SODRAC distributes royalties four times a year.

SODRAC allocates royalties of more than \$ 250 (two hundred and fifty CAD) on the 15th and 30th of each month.

5- Distribution terms and conditions

5.1- Documentation of works and allocation of shares

The royalties collected by SODRAC as a reproduction right are divided between the authors and the publishers for each of the works, in accordance with the agreements made between them and according to the declarations of works.

Several methods can be used for declaring a work. SODRAC can use different sources to document musical works: from information downloaded from CIS-NET (Common Information System Network) from foreign companies, electronic files in Common Works Registration (CWR), EWR (Electronic Work Registration) or other formats, paper or PDF declaration forms with an annex and/or a catalog of works from another collecting society. In addition, SODRAC accepts any other source it considers reliable.

SODRAC reserves the right to request any justification that it deems useful, including publishing, sub-publishing, commissioned agreement and distribution contracts, the signature of all rights holders on any document, a relevant form, a letter, a notice from a collecting society or any other form of correspondence stating the distribution of shares among the rightholders.

SODRAC will do its best to identify and document all the works reproduced. Rights may be held in abeyance due to incomplete documentation. When the necessary documentation is obtained, any applicable distribution is made.

Declarations of works and music cue sheets must be submitted 45 days prior to the distribution date.

5.2- Unidentified works

When it is impossible to determine the exact distribution of shares for a work (even after having done various research on Cis-Net, or having tried to communicate with the concerned societies) and that this work contains rightholders represented by a CISAC member, SODRAC applies the procedures dictated by the mandatory rules governing the practices of CISAC members. So, if all the beneficiaries of the work are affiliated with the same company, the sums are paid to this company. On the other hand, if it is not the case, the work is added to the batch of unidentified works. Annually, SODRAC will send to CISAC members, in the UP-1 file format, the list of these works and their associated data, so that each of these societies can read them, identify the works that could belong to it and to send to SODRAC the documentation relating to these works. SODRAC will then be able to release the royalties retained for these works and transmit them to the owners.

5.3- Public domain works

Under the Copyright Act of Canada, any arrangement or adaptation of a public domain work is protected by the Act in the same way as an original composition. SODRAC recognizes in fact the same value as an original work for the distribution of reproduction rights.

5.4- Protected work with musical arrangement and/or adaptation of lyrics

In order to benefit from the distribution of the arrangement or adaptation of a protected work, the arranger or adapter must have obtained beforehand the permission from the original rightholders of the work to arrange or adapt the work. The share of the rights allocated to the arranger or adapter of the work will be determined by the original rightholders of the work and must be clearly indicated in the agreement signed between the parties.

A member who has a disagreement with one of the distribution rules or their application must notify the general management in writing who will study his application and send him a reply in writing as soon as possible. In the case where the member does not agree with the answer to his request, he must inform the general management in writing, who must submit it to any ruling body mandated by the Board of Directors. The decision of the Board of Directors is final.

6- Administrative practices

6.1- Payment of royalties

The payment of royalties is made four times a year on the following dates: March 15, June 15, September 15 and December 15.

The distribution reports containing the available and relevant information are attached to the payment of the fees. SODRAC distributes the sums it receives. However, it may delay any distribution due to incomplete documentation, irregularities in a user's report or lack of information.



Amounts for reporting periods prior to current periods may be included in the distributions, including new information and new members.

Rights generated by the distribution of a general agreement and put in abeyance because of incomplete documentation in previous distributions will be allocated to the current distribution of the same general agreement.

For audiovisual works (found on physical products such as DVDs and Blu-Rays) the applicant or publisher can benefit from the fees collected only if his duly completed Declaration of Membership has been received by the Society three months before the distribution date. In this case, the payment will be made at the time of the distribution following the acceptance of its application for admission by the Board of Directors. In the event that a beneficiary joins the Society after the distribution of rights, no additional claim may be made to the distributor for copies already paid, so no royalties may be paid to the member.

6.2- Account adjustment

It is up to the member to verify his author or publisher account.

SODRAC reserves the right to debit the account of a member or a company if payments have been made in error or based on an inaccurate share split or report. Any complaint or notice informing SODRAC of an erroneous payment must be made in writing.

A member may make a claim to SODRAC for income that should have been received within the last 3 years. No interest will be paid to rightholders.

6.3- Management of advances

When a SODRAC author or publisher receives an advance from a publisher or an administrator (member or non-member of SODRAC), his/her rights are allocated to the party who has granted the advance until the amount of the advance is recouped. Either party shall notify SODRAC that the advance has been recouped and that SODRAC shall, for subsequent distributions, distribute royalties to the author or publisher according to the distribution key of the work.

6.4- Distribution - General Agreements

The distribution rules of the General Agreements apply to the Radio, Pay Audio Services, Satellite Radio, Television, and Ministère de l'Éducation du Québec distributions.

In order to benefit from the undistributed royalties of the general agreements, the beneficiary must be a member on the date covered by the distributed period.

6.5- Distribution of rights to non-members

Any distribution cheques in respect of royalties accruing to a member author may be issued to a joint-stock company, or one of its divisions whose shares belong exclusively to that member author or are controlled by him. The cheques will be issued to the joint-stock company until the author notifies SODRAC to proceed otherwise or ceases to be the exclusive owner of the corporation or to have full control, in which case SODRAC pays royalties to the author.

The publisher member of SODRAC registers the works of the non-member author he publishes in the repertoire managed by SODRAC. It is therefore the responsibility of the publisher to pay directly to the non-member author the share that belongs to him. However, if the same author becomes a member of SODRAC (subject to an advance), his/her share will be paid directly by SODRAC.

Royalty payments may be issued to non-members:

- When a publisher, whether a member or not, has given an advance to an author member;
- When SODRAC receives an order from a Canadian court or a request from the Governments of Quebec or Canada to pay a party other than the member;
- When SODRAC receives a letter of direction from a trustee, guardian, administrator or executor authorized to represent a member whether he or she is a child, a disabled person or a deceased person.

In these cases, SODRAC will continue to issue a statement of income earned for tax purposes on behalf of the member.

6.6- Not assignable

In some cases, SODRAC collects sums without sufficient data for use or when the volume of data to be processed would require too much investment in relation to the value of the sums to be distributed.

These sums, called not assignable, require the use of proportional distribution.

The proportional distribution therefore consists in distributing these sums received, in proportion to a distribution or a set of previous payments of the same type of right, and / or of the same group of rightholders, and/or of a particular period reference.

As a result, non-distributable amounts beyond five years can be used to reimburse fees, if any, and/or be distributed to all members on a proportionate basis.

6.7- Method of payment

Authors and publishers have the option of receiving their royalty payments either by cheque or direct deposit in Canadian funds. Those who want to receive their royalties by bank transfer must pay the fees.

Cheques are issued for a minimum payable amount of \$ 50.00 (fifty dollars CAD). When the total royalties are below this amount, they are cumulated with each distribution until the minimum sum is reached for the issue of the payment.

SODRAC members can collect their royalty cheques on the distribution dates at SODRAC's office, having informed SODRAC in advance of their visit and upon presentation of a photo ID.

They can also cash in their royalties at no cost in the form of direct deposit at a Canadian bank, after completing the documents provided for this purpose.

The distribution to the societies is done by bank transfer. A distribution to a society may be delayed when the value of the amount to be allocated is small compared to the bank charges for the transfer. The sums are thus accumulated.

6.8- Resignation of a member

When a member resigns from SODRAC he will no longer be entitled to subsequent distributions on the effective date of resignation.

On the other hand, SODRAC will pay to the resigning member the rights collected on its behalf for periods of sales or use covered by its membership contract. SODRAC will return to producers and societies the sums collected in favor of the resigning member for periods not covered by SODRAC membership.

SODRAC reserves the right not to pay royalties to a resigning member from general agreements in the event that the latter receives, from another party, its royalties for the same product and the same period.

6.9- Administration fees

In order to defend the rights of its members, SODRAC may have to incur extraordinary sums to assert its rights in courts (Copyright Board, etc.). SODRAC therefore reserves the right to recover these expenses incurred, such as legal and expert fees. The recovery will be made on the income collected as out-of-court settlements, transactions or royalties collected from these agreements, as provided for in the powers of the Board in Article 6.27 d) of the By-Laws of SODRAC.

6.10- Commission rate

National perceptions (per work: phonograms, videograms, synchronization rights, download, etc.): 10%

Synchronization rights for which there is limitation: 10%, otherwise 5% if negotiated by the member

General agreements (radio broadcasters, television broadcasters, etc.): 15%

International perceptions: 5%

Private copying: 8%

7- Visual Arts and Crafts

These rules apply to all types of rights related to the exploitation of artistic works by SODRAC members in visual arts and crafts and those of its affiliated companies that it represents in Canada.

7.1- Individual license

Origin

The majority of royalties collected for members of the visual arts and crafts sector comes from licenses issued per work for reproduction (printed publications: books, catalogs, magazines, posters, etc.), for public communication (works on websites, on television, in films, etc.) or for public exhibition, for purposes other than the sale or rental, of works created after June 7, 1988 (group or individual exhibitions of these works in museums, cultural centers, exhibition centers, etc.).

Collection and processing of data

Users request permission to reproduce the works represented by SODRAC and provide the information that is essential for the issue of licenses: information on the works (artist, title, year of production, collection to which the work belongs), the type of use (reproduction, public communication, exhibition for purposes other than the sale or rental), the type of product (book, magazine, film, website, temporary group exhibition, etc.), the description of the product (print run, date of publication, language, selling price, etc.) and the elements used to determine the tariff (reproduction format of the work, duration of the license, market and territory of distribution).



Distribution rules

The royalties are distributed by work, according to the amount of the license perceived by SODRAC.

Calendar

SODRAC distributes royalties four times a year.

7.2- General License

Origin

SODRAC also collects royalties under general agreements with certain users to cover the various uses of its repertoire:

- Art Magazines: for the publication of reproductions of works in print and online;
- Auction houses: for the publication of reproductions of works in promotional tools (invitations, announcements, sales catalog covers, etc.), in printed or digital form.

Collection and processing of data

General licenses authorize the intended users to make certain uses of SODRAC's repertoire provided that they comply with the conditions specified in the license (full reproduction of the work, identification and mention of compulsory copyright, model to be submitted for prior approval in some cases, etc.). To enable SODRAC to create reports and to distribute royalties collected, users must provide lists of works used with copies, if any, of publications in which works are reproduced.

Distribution rules

When royalties consist of a pre-established flat rate for a product (for example, an amount for all SODRAC repertoire works reproduced in a magazine issue), the distribution is made by dividing the amount agreed upon by the number of works reproduced. The royalties are distributed to the authors or rightholders of these works, each author or entitled person having been identified in the declaration of the user, cross-checked by verification of the publication or of a website at a given date, where appropriate.

For certain uses mentioned in an agreement which must be the subject of a specific prior authorization from the author or the right owner (in particular, the reproduction of a work on the cover of a publication), the amount of royalties agreed for such use is then allocated to that author or right owner, as if it were a license issued per work.

Calendar

SODRAC distributes royalties four times a year.

7.3- Reprographics

Origin

SODRAC collects royalties for the reprography (photocopy) of the works in its repertoire from two societies in Canada: COPIBEC (Société québécoise de gestion collective des droits de reproduction) for reprography carried out in Quebec, and Access Copyright for the reprography of works in Canada, with the exception of Quebec.

Collection and processing of data

Each year, SODRAC collects and transmits to COPIBEC and Access Copyright respectively the information required establishing the eligibility of the authors and rightholders it represents and distributes to them the royalties collected from these companies.

COPIBEC, with which SODRAC collaborated in the elaboration of the eligibility rules for the distribution for reprography, performs two types of distribution to which authors and rightholders of artistic works are eligible, provided they have had at least a work reproduced in a book, an exhibition catalog, a magazine or a newspaper published in Quebec (in printed format) during a specific period:

Annual payment of amounts set aside for authors and rightholders in Canada and other countries. These royalties come from licenses signed by COPIBEC with the education, private and governmental sectors.

The lump sum payment, every two years, for authors and rightholders residing in Quebec. These royalties come from, among other things, sums received from abroad and for which COPIBEC has no information.

Access Copyright, for its part, carries out a distribution called Payback for Visual Artists each year for writers and rightholders residing in Canada, with the exception of Quebec. To be eligible, these authors and rightholders must have had one or more works reproduced in a newspaper, magazine, book or exhibition catalog until a given year (two years before the distribution date). Access Copyright pays royalties to its own affiliates for authors residing outside its territory: Canada, with the exception of Quebec.

Distribution rules

The reprographic royalties collected by SODRAC from COPIBEC and Access Copyright are distributed to eligible authors and eligible beneficiaries identified by these societies.

Calendar

SODRAC makes the payment of the reproduction royalties as part of the distribution following their collection from the company of reprographic rights concerned.

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