

## SONGWRITING ROYALTIES - SUMMARY

**Mechanical royalties** – these are royalties payable to the songwriters and are the amounts payable by the record company to the Composer for each recording sold that includes the Composer's compositions. *In Ireland the amount is 8.5% of the published dealer price* and is collected by MCPSI (Mechanical Copyright Protection Society) from record companies. MCPSI passes on this income to the composer's Publishing Company who in turn pays the composer. The Publishing Company will have agreed a commission rate with the composer for collection of these royalties.

Each publisher is a member of the Music Publishers Association of Ireland (who in turn own MCPSI). So to receive mechanical royalties, the songwriter either has a publishing deal or he runs his/her own publishing company which is a member of MPAI.

The mechanical royalty in most European countries is currently 8%. The mechanical royalty in the U.K. is usually 6.25%. The US mechanical royalty rate is lower than in many other countries (currently 9.1 cent per album track and per download).

**Performing Rights** – this is money from radio and television plays collected by the national royalty organisation (which pays the songwriter direct). An Irish songwriter should join IMRO (Irish Music Rights Organisation) as a means of getting all performing rights income due to him/her paid. Note: The record company also collects a parallel performing rights royalty but does so from PPI (Phonographic Performance Ireland).

**Synchronisation Fees** – these are amounts due to a composer in respect of his work used in films, games and advertisements. These fees are charged by the publishing company to the filmmakers. Other Fees can arise from sales of sheet music, ringtones and any other reproduction of the work.

**Online sales:** Songwriters and publishers get 8% of an online music sale. Record companies get 38.5% of the sale of a CD, but they take 64% of an online sale.

**"Artist" recording royalties** – these are royalties due to an artist for each recording sold. Usually an artist can be offered anywhere between 10 to 20 royalty points depending on status. These royalties have nothing to do with songwriting per se but apply to composers who are also recording artists. The amount receivable is agreed at the time that the recording contract is being negotiated between the artist and the record company and is usually based on a % of the wholesale price of the recording (payable by the record company direct to the artist).

**"Artist" performance royalties** – these are royalties payable to every artist credited with performing on a record (and are collected in Ireland from record labels – i.e. from PPI - by RAAP).

*Irish Music Rights Organisation, Copyright House, Pembroke Row, Lower Baggot Street, Dublin 2. Phone: 01-6614844 – Performance Royalties due to Composer -*

*MCPSI Mechanical Copyright Protection Society (Ireland) Ltd (MCPSI), Pembroke Row, Lower Baggot Street, Dublin 2. Phone 01-6766940 – Mechanical Royalties due to Composer -*

*Recorded Artists Actors Performers, RAAP House, 15 Carysfort Avenue, Blackrock, Co. Dublin. Phone: 01-2788724 – Performance Royalties due to Artist -*