

Q&A

FREQUENTLY ASKED QUESTIONS **About SOCAN**

What is SOCAN?

SOCAN provides licences that give you the freedom to play any music you want in your business, legally, ethically, and easily. Without SOCAN, Canadian businesses would have to get permission from every composer, songwriter, lyricist, and publisher of every musical work they intend to use. This permission is not granted when you buy music (CDs, MP3s, music services, etc.) – this only allows you to play the music in a private (i.e. non-business related) setting. Similarly, when you hire musicians to play music, the fees you pay go to the performers, not the creators of the songs they perform. Even if the performers are the creators of a song, they need to be compensated for these separate efforts – music creation and music performance.

How do I know SOCAN is legitimate?

The performing right that SOCAN administers on behalf of creators of musical works and their publishers is a right granted under Canada's Copyright Act. The Copyright Board of Canada certifies SOCAN's tariffs, so it too can confirm SOCAN's role. In addition, many industry associations and organizations that represent businesses can also provide some background about SOCAN. Also, your legal counsel can provide you verification of SOCAN's role.

What is a performing right?

It is the right to perform musical works in public or to communicate them to the public by telecommunication. SOCAN's members have assigned this right to SOCAN to administer (i.e. collect and distribute royalties) on their behalf. Tariffs for performing rights are set by the Copyright Board of Canada. SOCAN fees generally work out to mere fractions of a penny per song.

How does a licence work?

A SOCAN licence grants the recipient permission to use music in a specific way. Businesses may need more than one licence, depending on how they use music (i.e. one for background music, one for music on hold, etc.).

Where does my licence fee go? Who gets it?

SOCAN is a member-based, not-for-profit organization. 86 cents of each dollar collected by SOCAN in 2010 through the issuance of licences was distributed as royalties to its members and the members of SOCAN's affiliated international societies. The remainder covered SOCAN's operating costs, as approved by SOCAN's board of directors, which is comprised of members. (songwriters, composers, lyricists and publishers.)

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How are SOCAN licence fees set?

SOCAN licence fees are set by the Copyright Board of Canada, an independent body appointed by the government. Each year SOCAN files proposed tariffs with the Copyright Board. Interested parties are then permitted to submit objections to SOCAN's proposals within a limited period. If an objection or concern is raised concerning a particular tariff, the Copyright Board may hold a hearing. After hearings are completed and any amendments are made, the Copyright Board publishes the approved tariffs in the Canada Gazette. If, for a given year, the Copyright Board has not approved a tariff, SOCAN is authorized to administer that tariff at the last approved rate. SOCAN tariffs and the associated fees take into consideration the value of music to a particular business. If music is integral to your operation (i.e. dance club, concert venue), then it's worth more to your business. The rates that are set by the Copyright Board of Canada reflect this value.

If I don't use Canadian music, do I still have to get a SOCAN licence?

Yes, a SOCAN licence gives you permission to use copyright-protected musical works from anywhere around the world. Through agreements with international performing rights organizations, SOCAN issues licences for all music used in public by businesses in Canada, no matter to which society the creators belong. SOCAN then transfers the corresponding monies to the appropriate society, and vice versa.

We already pay the performers. Why do we have to pay SOCAN?

When you hire a band or a DJ, you are paying for their services as performing artists but not for the public performance of the music. Performing music and creating music are two separate types of creative work, and each deserves fair compensation, even in cases where the performers are also the creators of the works.

I rent my venue to promoters. Shouldn't they be responsible for paying the SOCAN fee?

Yes, they are also responsible. If the promoter of an event doesn't obtain the necessary licence, the owner of the venue can be held responsible for the unlicensed performance.

Are there any exemptions?

Under the Copyright Act, there are certain exemptions: They are religious, educational, and charitable, but specific conditions must be met in order to qualify for any of the exemptions.

What happens if I don't pay?

Our business is to make sure that music creators and publishers are fairly compensated for the use of their works. A SOCAN licence allows you access to virtually the world's entire repertoire of copyright-protected musical works. If you authorize the public performance of copyright protected-musical works without obtaining a performing right licence, you are liable for copyright infringement and we may protect these rights by pursuing the matter through legal channels.

IF YOU HAVE FURTHER QUESTIONS ABOUT SOCAN LICENSING, PLEASE CONTACT SOCAN

at 1.866.944.6210 or licence@socan.ca.

SOCAN