

# Understanding the New Re:Sound Tariffs

*Arts in Perspective conversation*

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CAPACOA

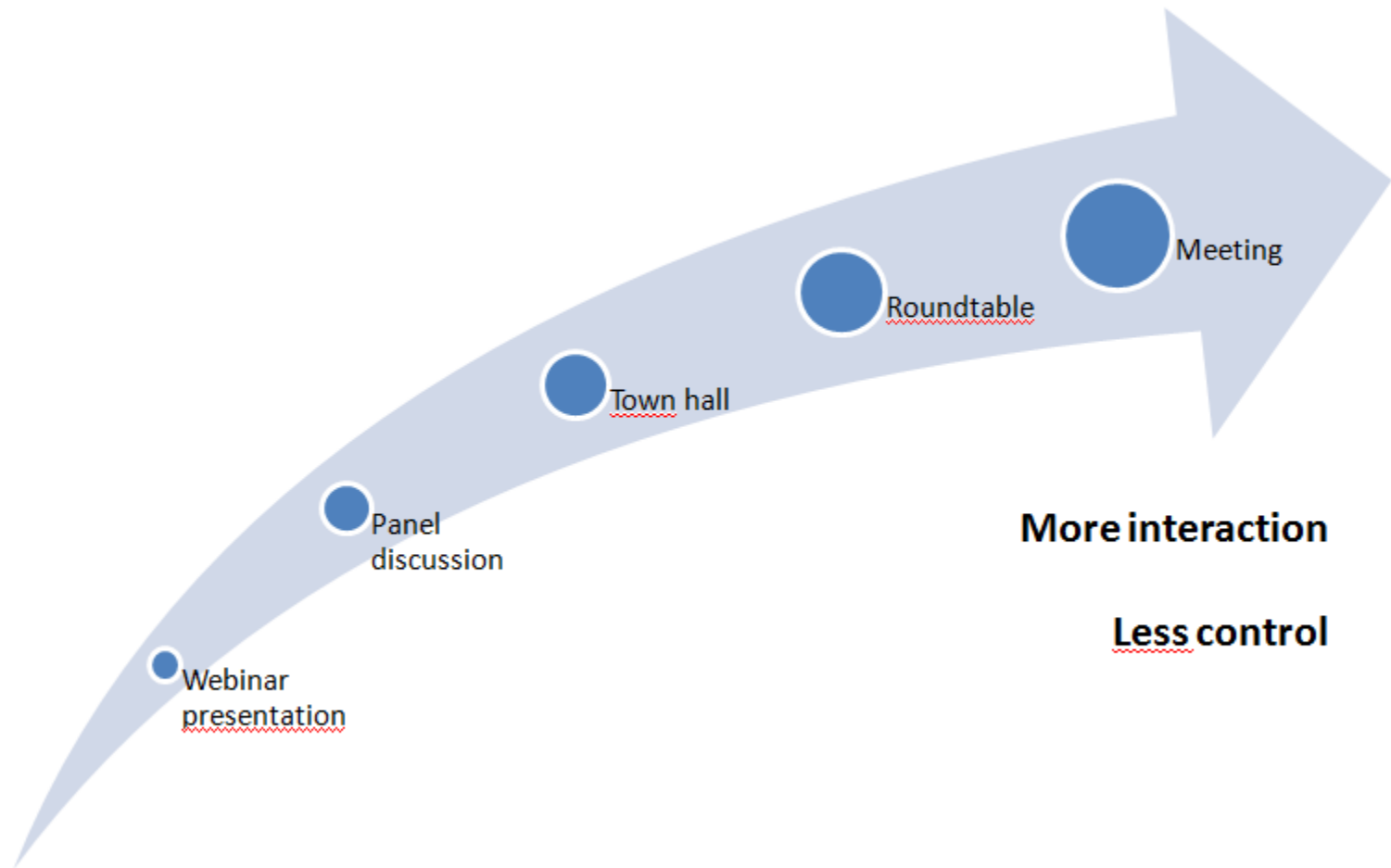
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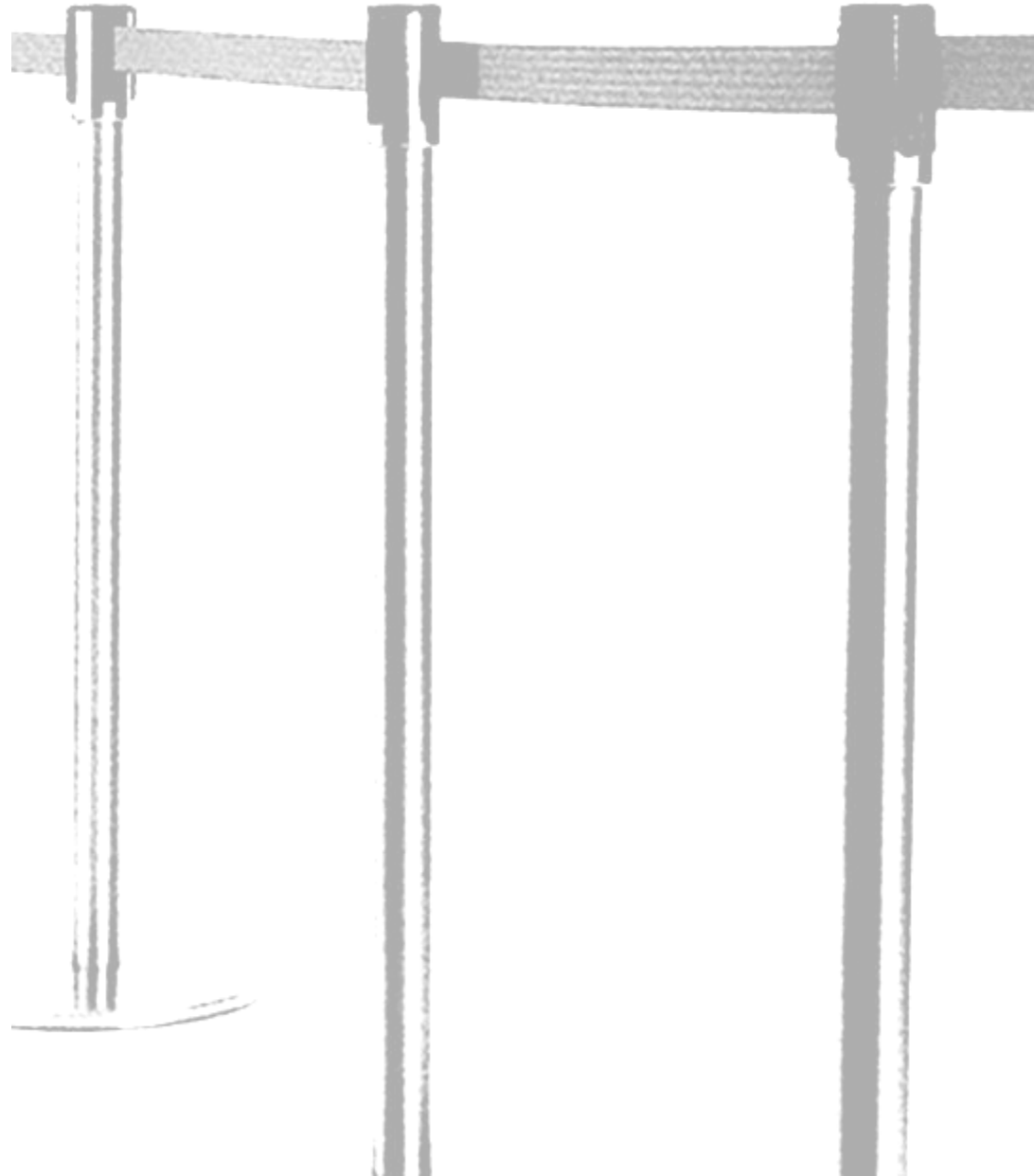
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# Arts in perspective



# ABOUT RIGHTS



# Whose right is this?

- Grand rights:
  - Rights for the public performance of a dramatic work.
- Copyright:
  - The right of composers and music publishers
- Neighbouring rights:
  - The rights of performers (musicians and vocal artists) and producers (record companies) of *published* sound recordings

# Where does it come from?

- Neighbouring Rights were first acknowledged in the 1961 [Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organisations](#)
- *Copyright Act of Canada* was amended in 1997 to integrate neighbouring rights.
- Re:Sound was formed in 1997 (originally as NRCC) following this amendment.
- Re:Sound is designated by the Copyright Board of Canada as the sole collective society authorized to collect neighbouring right royalties on behalf of member organizations.

# How are tariffs and rates established?

- The Copyright Board is a federal tribunal empowered to establish royalties to be paid for the use of copyrighted works.
  1. Re:Sound proposes tariffs
  2. Re:Sound consults with music users
  3. Music users may provide input to the Copyright Board.
  4. The Board sets the royalties and certifies the tariffs

# CAPACOA and Re:Sound: a brief history

- The first Re:Sound live events tariffs were certified by the Copyright Board in 2012.
- CAPACOA started negotiating new tariffs that were more suited to the realities of presenting organizations.
- A Settlement agreement was struck in 2014.
- The [tariffs certified in 2017](#) include the new tariffs jointly developed by CAPACOA and Re:Sound.

# Core values for tariff development

- Fair
- Simple
- Flexible
- Efficient

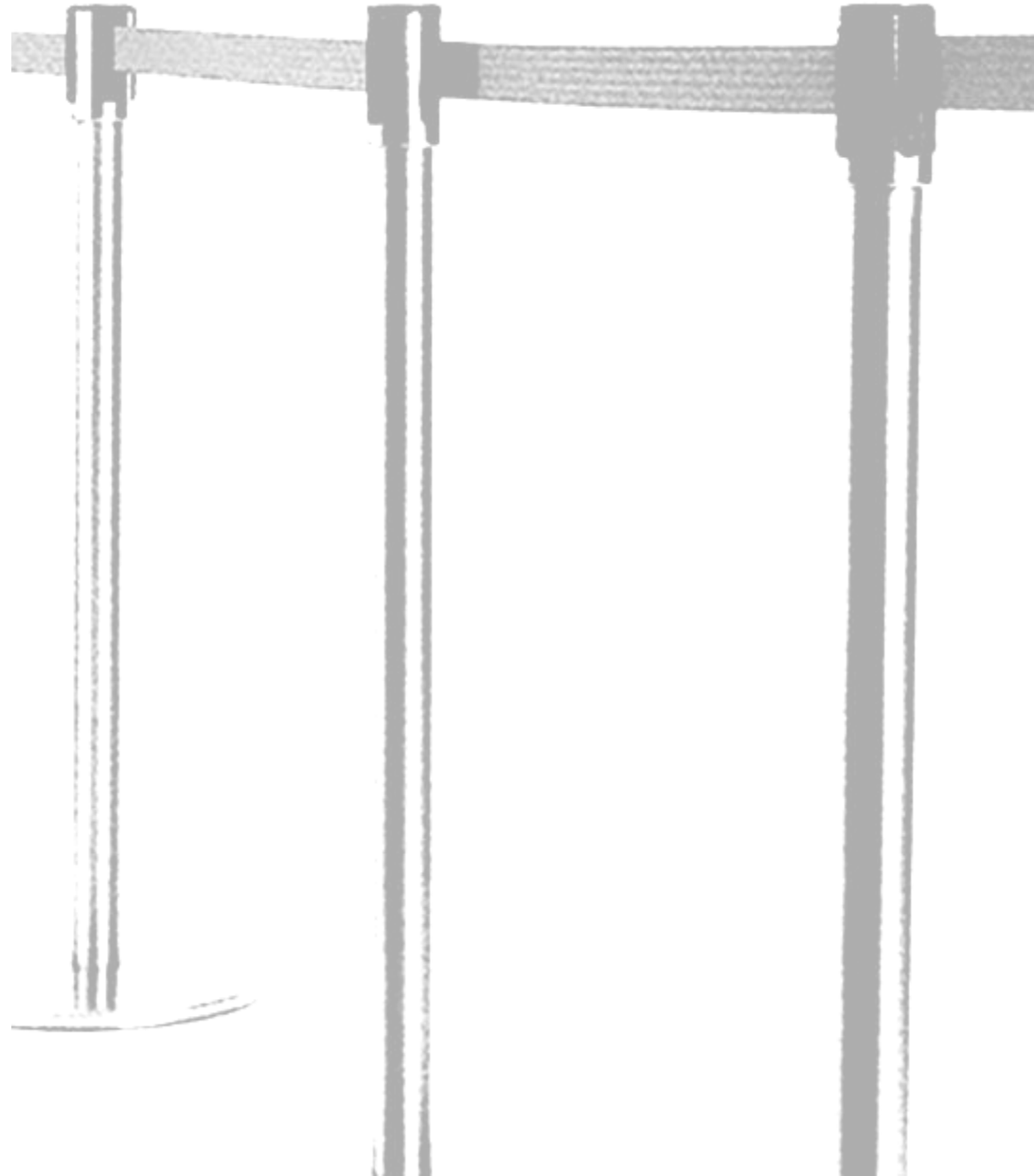


17,000 payments per year

>\$40M in royalty revenues



**QUESTIONS?  
COMMENTS?**



**WHICH LICENCE  
DO YOU NEED?**





BACKGROUND MUSIC



LIVE EVENTS



DANCE



FITNESS ACTIVITIES



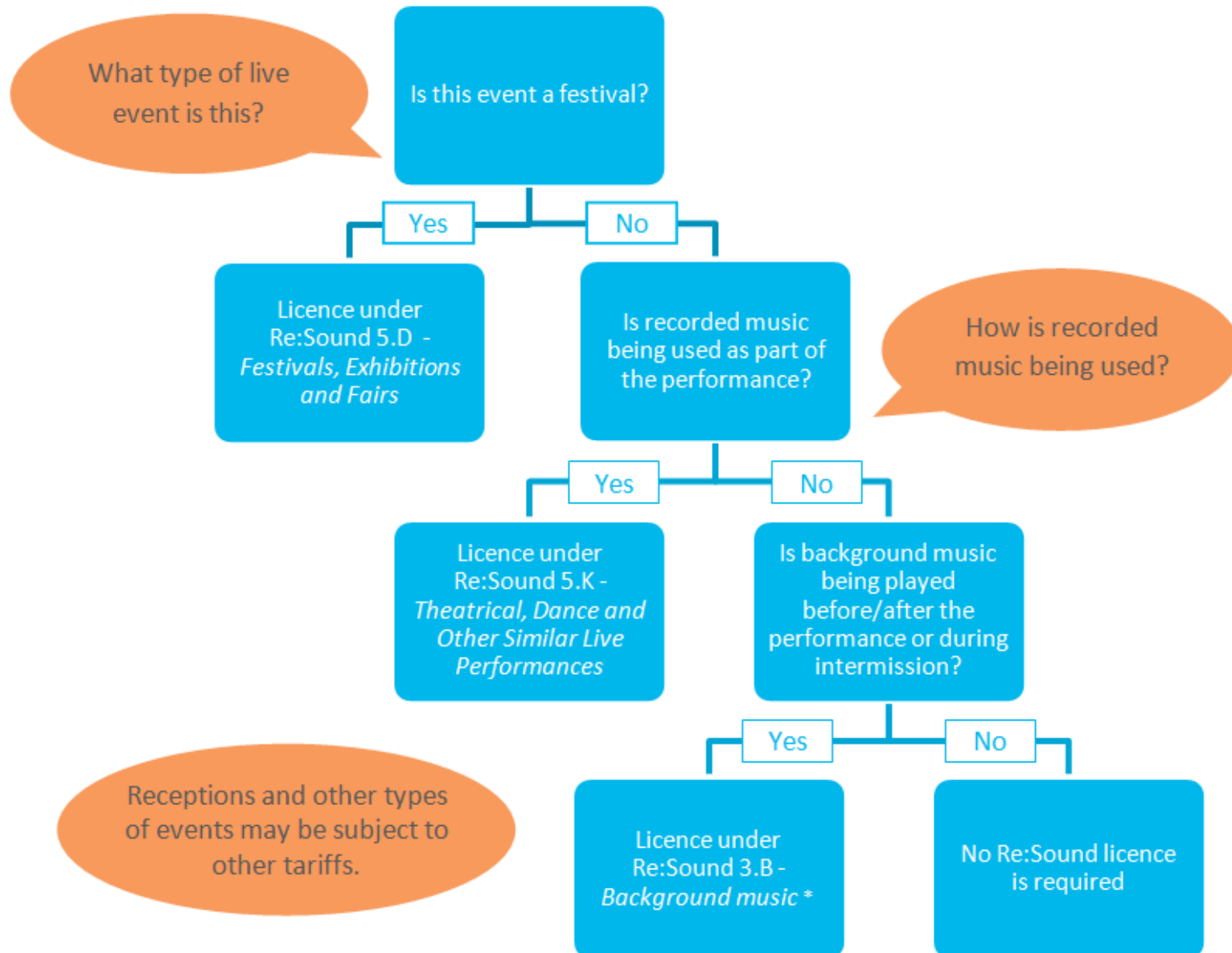
BROADCASTING



SATELLITE RADIO

# Neighbouring Rights Decision Tree for Multi-Disciplinary Presenters

Note: This simplified decision tree accounts only for the use of recorded music at events that involve live performances. Other types of events and activities may be subject to other tariffs.



# Festivals – Tariff 5.D

This is a ‘blanket’ tariff that accounts for both performance use and background use.

<b>Average Daily Attendance</b>	<b>Fee Payable per Day</b>
Up to 5,000 persons	\$8.00
5,001 to 10,000 persons	\$18.00
10,001 to 20,000 persons	\$36.00
20,001 to 30,000 persons	\$60.00
30,001 to 50,000 persons	\$96.00
50,001 to 75,000 persons	\$150.00
75,001 to 100,000 persons	\$210.00
100,001 to 150,000 persons	\$300.00
150,001 to 200,000 persons	\$420.00
Over 200,000 persons	\$600.00

# Performance use – Tariff 5.K

- Tariff 5.K - Recorded Music Accompanying Theatrical, Dance and other Live Performances
  - Single tariff designed specifically with multi-disciplinary presenters in mind.
  - Applies to “live entertainment event including theatrical, dance, acrobatic arts, integrated arts, contemporary circus arts or other live performances”

# Performance use – Tariff 5.K

- Two degrees of use:
  - Integral use: more than 10%
  - Incidental use: less than 10% of the length of the event or less than 10 minutes in total duration
- Also covers all use of background music at the event, whether inside or outside the venue, including sound recordings played during intermissions and during the entrance and exit of the audience

# Performance use – Tariff 5.K

## Fees payable:

- Integral use (at least 10% of performance length):
  - 3.2¢ per admission (free or paid)
  - Minimum fee of \$30 per event
- Incidental use (less than 10% or 10 min. total):
  - 0.8¢ per admission (free or paid)
  - Minimum fee of \$15 per event
- Annual minimum fee of \$50 applies instead of cumulative minimum fees per event (when these exceed \$50)



# Performance use – Calculation Examples

- A single performance with 400 admissions
  - $400 \times \$0.032 = \$12.80$
  - Minimum fee per event = 30\$
  - **The higher of the two applies  $\Rightarrow$  30\$**
  
- A single performances with 1,000 admissions
  - $1,000 \times \$0.032 = \$32.00$
  - Minimum fee per event = 30\$
  - **The higher of the two applies  $\Rightarrow$  \$32.00**

# Performance use – Calculation Examples

- Two performances with 800 total admissions
  - $800 \times \$0.032 = \$25.60$
  - Minimum annual fee takes over per-event fee = \$50
  - **The higher of the two applies  $\Rightarrow$  \$50**
  
- Eight performances with 3,200 total admissions
  - $3,200 \times \$0.032 = \$102.40$
  - Minimum annual fee takes over per-event fee = \$50
  - **The higher of the two applies  $\Rightarrow$  \$102.40**

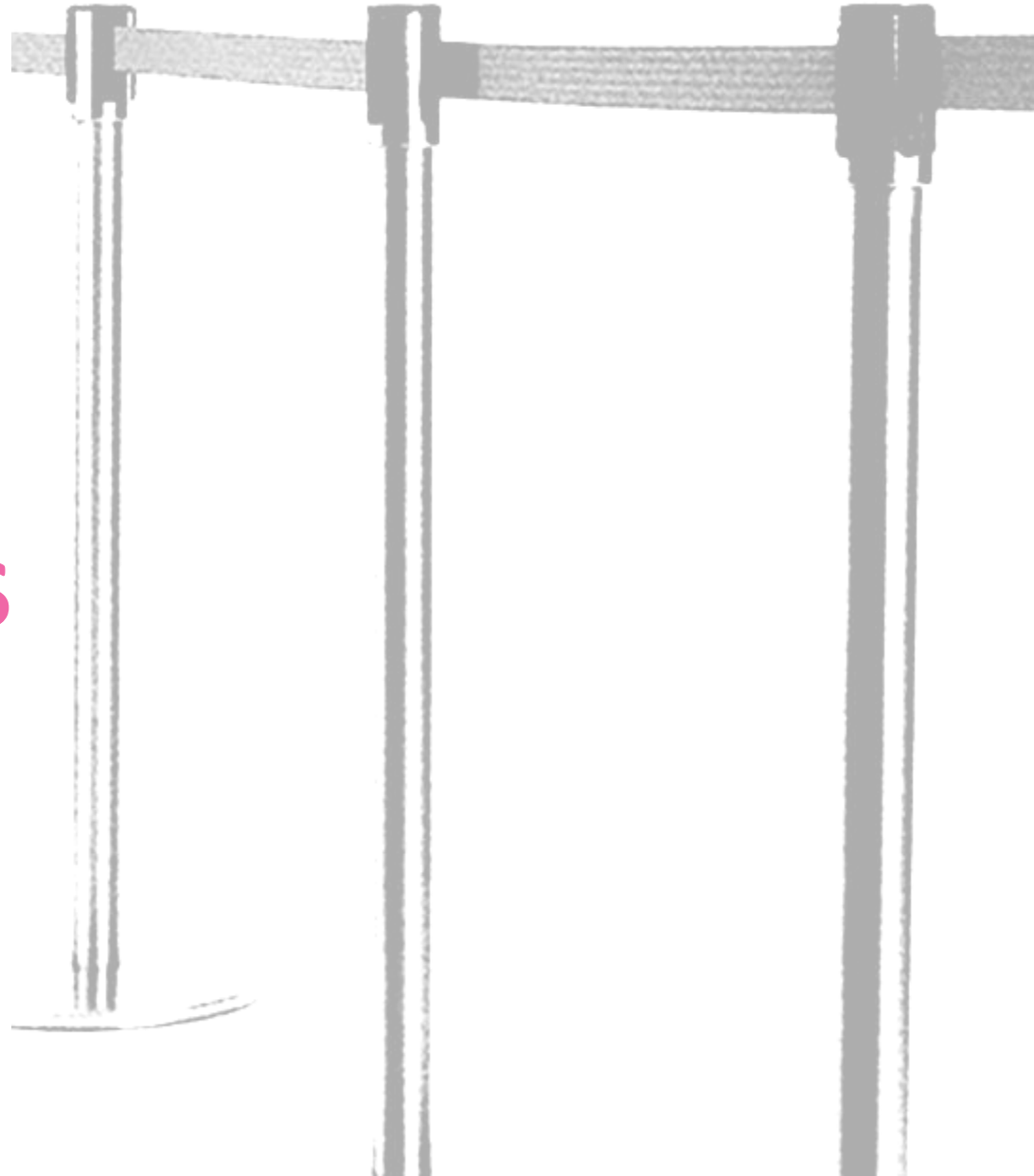
# Background music – Tariff 3.B

- Applies to any background use of recorded music that isn't licenced under another tariff.
  - Does not apply to background music suppliers who already pay royalties under Tariff 3.A
  - Does not apply to AM/FM radio

# Background music – Tariff 3.B

- Fees payable:
  - 0.0931¢ per admission, attendee, or tickets sold.
  - Minimum annual fee of \$25.
  - Other fees exist based on capacity (for restaurants) or area (for stores). These fees are however comparatively more expensive.

# OTHER TARIFFS



# Other tariffs that may apply

- Receptions – Tariff 5.B
  - Applies to receptions (including weddings), conventions, video game events, assemblies and fashions shows
  - You should pass it on to your rental clients as a distinct line item on their invoices:  
“Neighbouring rights royalties for the use of recorded music during a reception, as per Re:Sound Tariff 5.B”

# Receptions – Tariff 5.B

<b>Room capacity (seating and standing)</b>	<b>Fee per event without dancing</b>	<b>Fee per event with dancing</b>
1-100	\$9.25	\$18.51
101-300	\$13.30	\$26.63
301-500	\$27.76	\$55.52
Over 500	\$39.33	\$78.66

# Discipline-specific tariffs

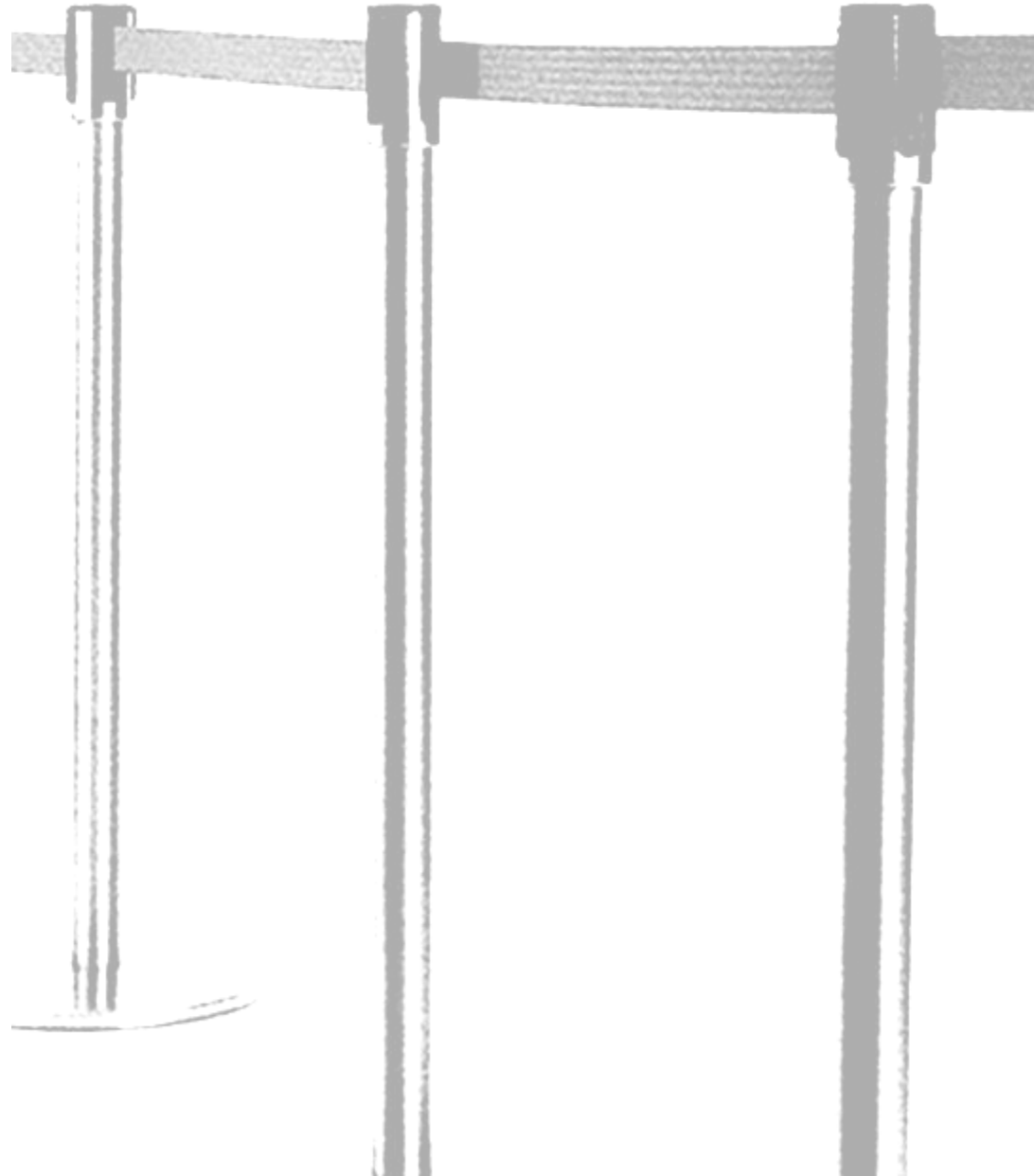
- Organizations that present a single discipline or a single type of event may be subject to other, discipline-specific, live events tariffs, such as:
  - 5.E – Circuses, Ice Shows, Fireworks Displays and Similar Events
  - 5.I – Comedy and Magic Shows
  - 5.J – Concerts



# Other tariffs that may apply

- 5.C – Karoke
- 5.F – Parades
- 5.G – Parks, Streets and other Public Areas
- 6.A – Dance (if you operate a dance club or hold dance events on a regular basis)
- 6.B – Fitness Activities (including dance classes)
  - Note to municipal presenters: municipalities may have a licencing arrangement with Re:Sound. If you are a municipally-owned presenting organization, check with your accounting department.

**QUESTIONS?  
COMMENTS?**



# REPORTING AND REMITTING



# Who is responsible to pay?

- All parties involved (presenter, rental client, venue, producer) have a joint liability
- Many factors may be taken into account:
  - Who is likely to remit the most licence fees (cost-efficiency)?
  - Who has access to the information required for licensing?
  - Who has the primary business relationship with the audience?

# Deadline for reporting

- Reports and payments of royalties for the 2017 calendar year are due January 31, 2018
- If you owe licences in excess of \$500 per year, you will have to report on a quarterly basis.
- The Receptions Tariff (5.B) also requires quarterly reporting.

# The PDF reporting form

- Re:Sound designed a PDF reporting form for CAPACOA members:
  - <http://bit.ly/resoundform>
  - Tip on downloading: The form is saved within a .zip directory. You will have to uncompress the directory to access the form.
- The form only includes the performance, background, reception and festival tariffs.

**Reporting Form**  
For CAPACOA members

Tell us about your music use:

Reporting Period:

Multiple Venues  
If you operate more than one venue, please use the "add venue" buttons in order to report for each venue on one form. If you are a touring group holding events in more than one location, total up all events and attendance as one venue.

**Performances (3.K)** - List the total number of performances during the reporting period for both integral and incidental use of music, and enter the total attendance for each.

				Subtotal	
Integral Use in a Performance (at least 10% of the performance)	<input type="text"/>	Events	Total Attendance	<input type="text"/>	<input type="text"/>
Incidental Use in a Performance (less than 10% or 10 min. total)	<input type="text"/>	Events	Total Attendance	<input type="text"/>	<input type="text"/>

**Background Music (3.B)** - Enter the total number of days during which background music was used, then use the drop-down list to select the type of file, and enter the corresponding information.

				Subtotal	
Background Music	<input type="text"/>	Days	Annual Attendance	<input type="text"/>	<input type="text"/>

**Receptions, Assemblies, etc. (3.B)** - Total all events for each room with a separate capacity.

				Subtotal	
Receptions with Dance	<input type="text"/>	Events	Capacity	<input type="text"/>	<input type="text"/>
Receptions without Dance	<input type="text"/>	Events	Capacity	<input type="text"/>	<input type="text"/>

**Festivals (3.D)** - Enter the total number of days and average daily attendance for each festival across all venues that occurred during the reporting period.

				Subtotal	
Festival Details:	<input type="text"/>	Days	Average Daily Attendance	<input type="text"/>	<input type="text"/>

Venue Subtotal

# The online reporting form

<http://www.resound.ca/music-use-reporting-form/>



## Tariff 5 (Live Events)

This tariff is divided into sub-tariffs which apply to different types of live events such as receptions, conventions, karaoke, fairs and exhibitions, parades, ice shows, and fireworks displays. The tariff may apply to a variety of establishments such as hotels, restaurants, bars, nightclubs, banquet halls, golf and country clubs, festivals, fairs, and municipalities.

<input type="checkbox"/>	<b>Tariff 5.A</b> Music to Accompany Live Entertainment
<input type="checkbox"/>	<b>Tariff 5.B</b> Music Used at Receptions, Conventions, Assemblies and Fashion Shows
<input type="checkbox"/>	<b>Tariff 5.C</b> Karaoke
<input type="checkbox"/>	<b>Tariff 5.D</b> Festivals, Exhibitions and Fairs
<input type="checkbox"/>	<b>Tariff 5.E</b> Circuses, Ice Shows, Fireworks, Sound and Light Shows, and Similar Events
<input type="checkbox"/>	<b>Tariff 5.F</b> Parades
<input type="checkbox"/>	<b>Tariff 5.G</b> Parks, Streets and Other Public Areas
<input type="checkbox"/>	<b>Tariff 5.H</b> Sporting Events
<input type="checkbox"/>	<b>Tariff 5.I</b> Comedy and Magic Shows
<input type="checkbox"/>	<b>Tariff 5.J</b> Concerts
<input type="checkbox"/>	<b>Tariff 5.K</b> Theatrical, Dance and Other Similar Live Performances

## TARIFF 5.B BILLING MUSIC USED AT RECEPTIONS, CONVENTIONS, ASSEMBLIES AND FASHION SHOWS

**Calculate your licence fee:** For each venue or room that held events, list the capacity (as authorized by liquor licence or any other document issued by a competent authority) and the number of events both with and without dancing during the reporting period. Please note that use under Tariff 5.B is reported on a quarterly basis.

Reporting Period	Venue/Room	Capacity	Events With Dance	Events Without Dance	Subtotal
2017					
Full Year	Room XYZ	150	10	Events Without Da	\$266.30

Subtotal: \$266.30

ADD ROW



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# DISCUSSION

