

TOP 10 Reasons Labels Don't Register with SoundExchange (and 10 reasons you should)

It's no secret that there are lots of labels (and artists) who have money waiting at SoundExchange, and we get asked all the time: "Why wouldn't someone register to receive their royalties?" We've listed some of the reasons we hear most often for labels hesitating to register to receive their digital performance royalties, along with the answers we give to each one. Here's a hint before you even get to number one: There's no reason not to register.

1. Lack of education: Don't understand what SoundExchange is, where this right/royalty/revenue comes from.

SoundExchange is a non-profit performance rights organization.

The U.S. Copyright Office set up SoundExchange in 1998 to collect digital performance royalties. That's the money that artists and copyright holders are paid when the sound recordings that they own, or helped create, are played for the public (like on satellite radio or cable TV music channels) or broadcast on the Internet. Under the law, SoundExchange is the only group which collects these royalties, and distributes them to featured recording artists, master rights owners (like record labels), and independent artists who record and own their masters. But SoundExchange is relatively young. Even the artists' and copyright holders' right to be paid a royalty when sound recordings are digitally performed has only been around since 1995. Many people who have earned these royalties don't know that those royalties exist, or don't know how to go about claiming their share. Check out the history, and how it works, [here](#). Visit our [registration page](#) and register today.

2. Confusion about who may be owed digital performance royalties, and who can claim them.

Many labels we talk to believe that only artists, not rights owners, are entitled to these royalties. Some independent artists who own their own masters don't know they are also entitled to collect a share as the owner of the sound recording. Some people confuse publishing rights or distribution rights with performance rights for sound recording copyrights, and think another company is entitled to their royalties. The artists are paid their share of these royalties directly from SoundExchange. Regardless of your private agreements, the master owner of the sound recording is entitled to 50% of all royalties on a track; the artists are paid their share directly. Furthermore, unless you have specifically instructed your distributor to collect your royalties, you must register directly with SoundExchange. No matter what, it can't hurt to be signed up.

3. Procrastination/confusion: Have heard about SoundExchange or digital performance royalties, but are understaffed, busy, and haven't gotten around to filling out the forms.

The SoundExchange staff talks to people every day about registering to receive these royalties. But even after several personal contacts from our staff (and in many cases, their own friends who are getting paid) an astounding number of people haven't done it. Whether they haven't gotten around to it, or because they're intimidated by the forms, they don't register.

We understand you're busy, and that registering with SoundExchange can sound a little complicated. Realistically, we can't control the kinds of information we need, like personal data and tax forms, because these royalties are taxable income. Plus, we need to ensure that we are paying the correct company. Our Customer Care team will work with you to help make the process as easy as possible, including helping you with registration.

Registration is the only way to claim the royalties you've earned, and it's your responsibility to make getting paid a priority!

4. Low/incorrect expectations: Potential registrant does not register because they think they will not have a large enough check to warrant the effort or believe only big-name labels are eligible.

With satellite and Internet radio on the rise, independent and up-and-coming labels are getting more play than ever before; and under the law which governs digital performance royalties for sound recordings, an artist-owned start-up gets exactly the same per-track rate as the biggest international label. SoundExchange has thousands of sound recording copyright owners and tens of thousands of artists registered. Not everyone gets six-figure checks, but whether your recordings have generated \$50, \$500, or \$50,000, it's money you've already earned. And once you're registered, you'll be paid quarterly every time you're owed, so the money will keep trickling, flowing, or pouring in!



5. Data confusion: Labels think it would be difficult to provide data SoundExchange requires, or which they believe SoundExchange requires: ISRC codes, tax ID, etc.

While SoundExchange's Account Services team appreciates having all the data we can get in order to make sure everyone's paid efficiently and accurately, we don't require any of these items for registration. Most of the information we need is easy for companies to provide, and doesn't require any legal knowledge. If you register and something's missing, we'll get in touch. Don't let it stop you from signing up.

6. Registration frustration: Potential registrant has trouble with the registration process, doesn't want to fill out forms, or thinks registering to use the PLAYS database is the same as registration.

"If you owe me," many people tell us, "just pay me. I'm not hard to find." While we'd love to be able to send a check out based on an e-mail response or web address, we can't. We require formal registrations, either online or by mail, e-mail, or fax, so we can verify we're paying the right company. It only takes about 15 minutes if you have all the information in front of you. We've provided a [video on How To Register](#) and some [FAQs online](#), and our Customer Care team will be glad to help you out along the way. Also, many labels have registered to use our PLAYS database, which does collect a bit of personal information, but is NOT the same as registering to receive your royalties. PLAYS allows you to see which of your tracks have been played and potentially earned money.

If you're not registered, get registered. If you are registered, tell the artists on your label to register. If you're not sure, check.

7. Confusion about 'promotional' use by webcasters: Rights owner would prefer to make his music free to webcasters, and so doesn't collect the royalties earned.

The blanket license provided by the government requires webcasters and station masters to pay royalties on all performances, unless the owner of the master recording has specifically waived their rights. Be careful about waiving your rights, though. Your recordings attract listeners to the services playing them, and labels should be compensated for that value. Regardless of your strategy, register with SoundExchange so that royalties which may have been collected from paying services may be sent to you.

8. Inaccessible owners: The label is defunct, or the rights owner is deceased.

Music is immortal; people and careers aren't. SoundExchange collects royalties for every track played – that includes the tracks of rights owners who've long since given up their industry contacts, those who've passed away, or labels that have gone out of business. Funds accruing to these labels are usually still payable, but often the rightful copyright owner doesn't know how to come forward to claim them or doesn't know they should.

9. Copyright owner has licensed the tracks to another party, and is unsure if they have the right to collect during the licensing term.

Regardless of licensing agreements, royalties are being accrued for the "copyright owner." Look at the terms of the agreements with your distributor, your aggregator, or any other relevant group to determine who is entitled to collect this share of what's being generated. While you can, as the owner of a sound recording, allow your distributor or other entity to collect these royalties on your behalf, signing up and getting paid directly is easy.

10. The label doesn't like money? Is waiting for the royalty fairy to show up? The label already has more money than they know what to do with?

Honestly, we're not sure why it's so hard to get rights owners to register to receive their royalties. The best way to sway people is by word-of-mouth: that is, when someone they know and trust tells them about royalties from SoundExchange. So help us spread the word, so we can help every artist and rights owner get paid when they get played.

Register at www.soundexchange.com today!

*All statistics and content valid as of 12/15/11