

Neighboring Rights Frequently Asked Questions

What are Neighboring Rights (NR)?

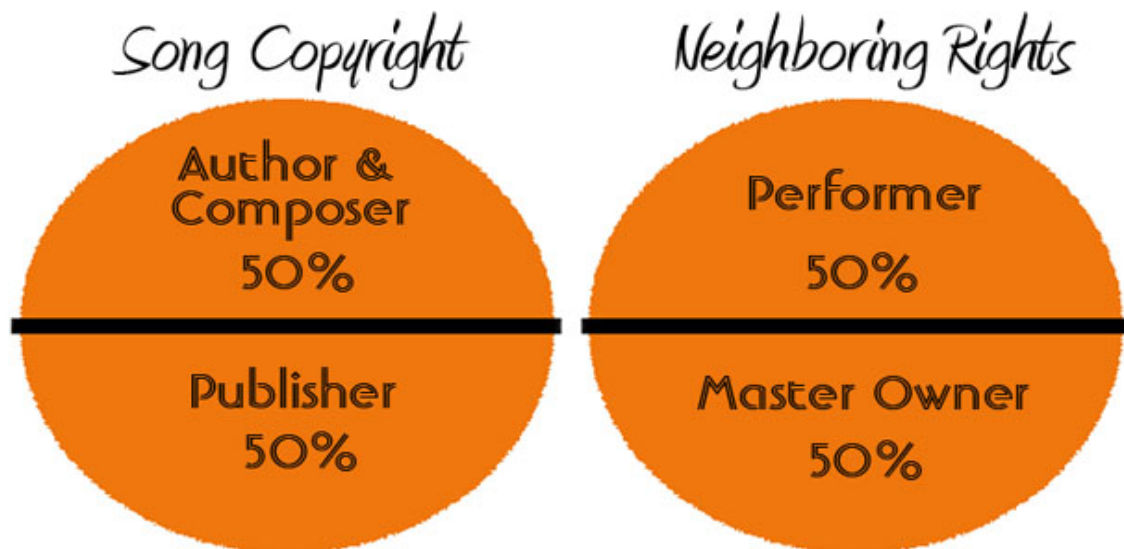
- Neighboring rights are the rights of performers and makers of sound recordings to be paid fairly for the broadcast and public performance of their works. Neighboring rights were enacted after 1996 and amended to the Copyright Act. The maker of a sound recording is defined in the Copyright Act as the person who makes arrangements for the first fixation of the sounds, including entering into contracts with performers, and making financial and technical arrangements.

How does someone join to get their Neighboring Rights?

- Simply ask us for our appropriate application and Royalty Recovery will do the rest. Royalty Recovery has representation with almost all major territories of the world for these royalties. Neighboring Rights societies unlike SESAC, ASCAP, BMI, SOCAN etc., do not communicate information to sister societies hence making it virtually impossible to have one agency do the work of collecting your royalties. Royalty Recovery will represent your interest around the world and collect all that is yours.

How does the Royalty Recovery collect revenues?

- We collect revenues from many sources including record stores, restaurants, theatres, clubs, radio stations and hotels, Satellite radio services (XM and SIRIUS), Cable and Satellite TV transmissions, subscription services (DMX, Music Choice and Muzak), etc. All payments are split between performers and producers. We also collect on blank audio levies and Private Copying, this was created to receive and re-distribute private copying tariff revenues. Manufacturers and importers of blank audio recording media are responsible for paying the private copying levy. Here is a diagram that better helps to explain the shares on these types of royalties.



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What is the difference between SESAC, ASCAP, BMI, SOCAN and Neighboring Rights?

- ASCAP, BMI, SESAC, SOCAN are responsible for administering the rights of composers, authors and music publishers while the Neighboring Rights Agencies are responsible for administering the rights of the performers and makers or master owners of sound recordings.

Who is eligible to receive Neighboring Rights payments?

- The Copyright Act details the conditions of eligibility for Neighboring Rights. Essentially, a sound recording is eligible if its maker is an individual who is a citizen or permanent resident of a qualifying country or of a Rome Convention country (see below), or if the maker's corporation is headquartered in a qualifying country or in a Rome Convention country, or if all the fixations for the sound recording occurred in a qualifying country or a Rome Convention country. The Qualifying Countries are: Argentina, Australia, Austria, Barbados, Belgium, Bolivia, Brazil, Bulgaria, Burkina Faso, Canada, Chile, Colombia, Congo, Costa Rica, Czech Republic, Denmark, Dominican Republic, Ecuador, El Salvador, Fiji, Finland, France, Germany, Great Britain and N. Ireland, Greece, Greenland, Guatemala, Honduras, Hungary, Iceland, Italy, Jamaica, Japan, Lesotho, Luxembourg, Mexico, Moldova, Monaco, Netherlands, Niger, Nigeria, Norway, Panama, Paraguay, Peru, Philippines, Republic of Ireland, Slovak Republic, Spain, Sweden, Switzerland, United Kingdom, Uruguay. The most significant absentee in this treaty is the United States of America. A performer's Neighboring Rights are dependent on the eligibility of the sound recording. If a sound recording is eligible, then so are the performers, regardless of the nationality or country of residence.

What is the Rome Convention?

- The 1961 Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations is an international treaty under which all above mentioned countries agree that their Neighboring Rights regulations will allow reciprocal treatment to rights-holders of other countries signatory to the Convention.