



## **Canadian Musical Reproduction Rights Agency Limited**

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**Caroline Rioux**  
**President**

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**ATTENTION!**

**This letter contains important information and a deadline related to CMRRA's distribution of royalties.**

**YOUR RESPONSE IS REQUIRED.**

February 4, 2015

Dear CMRRA Client,

**Re: March 2015 Broadcast Mechanical Distribution**

This coming March, CMRRA will undertake its distribution of Commercial Radio royalties for the November 2012 to December 2013 period. For the reasons explained below, CMRRA will only remit these royalties to you if you sign and return the enclosed Repayment Undertaking Agreement ("RUA") by February 20, 2015.

On November 7, 2012, certain amendments to Canada's *Copyright Act* came into force, introducing a number of new copyright exemptions which the radio broadcasters have claimed eliminate any legal basis for their payment of a reproduction tariff to music copyright owners. CMRRA strongly disagrees with these assertions and vehemently opposed the broadcasters' argument at a hearing held before the Copyright Board of Canada (the "Copyright Board") in October 2013, where the Copyright Board heard evidence from the participants on the applicability of the exemptions to radio broadcasters.

Until a decision is rendered by the Copyright Board, radio stations are required and have continued to pay the existing tariff. However, any decision ultimately made by the Copyright Board will have retroactive effect to November 7, 2012. While we are confident that there is no basis for radio broadcasters to claim exceptions in relation to their reproduction activities, we cannot predict the outcome of the Copyright Board's decision, and there is a possibility that CMRRA may be required to return some or all of the royalties collected from radio stations since that date, plus interest. Furthermore, a decision is not expected for some time and, in any event, we anticipate that the decision is likely to be the subject of a further judicial review or appeals given the importance of the matter at stake.

In light of this uncertainty, CMRRA's Board of Directors has agreed to distribute a portion of the royalties collected for this period on the condition that the music publisher who is entitled to receive such royalties provides a signed undertaking to repay those royalties to CMRRA if the tariff ultimately certified by the Copyright Board is reduced, and a refund to the stations is required in an amount greater than the undistributed portion of the royalties collected. The undertaking applies to

all royalties paid to the music publisher, including any royalties associated with musical works no longer owned or administered by the music publisher at the time the refund is required to be paid.

Accordingly, we ask that you provide us with your instructions by completing and signing the form below and, if applicable, the Repayment Undertaking Agreement. Before providing instructions, we urge you to consult with a Certified Public Accountant regarding the extent to which you can recognize any royalties paid to you pursuant to the RUA as earned income on your financial statement of operations.

**Please note that we must receive your signed RUA (either by email or regular mail) by February 20, 2015 in order for CMRRA to process your royalty payment as part of our upcoming March 2015 distribution.** Should you return your signed RUA after that date, we will process your payment as part of our next distribution, which will take place later in 2015.

I thank you for your attention to this important matter. Should you have any questions, please do not hesitate to contact us at [membershipservices@cmrra.ca](mailto:membershipservices@cmrra.ca). To expedite your inquiry, please use a subject line of "Broadcast Mechanical RUA Instructions" in the subject of your email. Telephone inquiries can be directed to Marianne Anderson, Manager of Client Relations, at 416-926-1966 ext. 261.

Yours truly,



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**INSTRUCTION FORM:** Please complete one form per RUA as needed for each client or payment account you have registered with CMRRA, in order for us to ensure royalties are released in accordance with the payment instructions you have previously provided to us. You can identify payment accounts as those which you have instructed us as requiring their own cheque or direct deposit payment. If you are unsure how to identify the payment accounts you have registered with us, please contact us.

<b>Publisher Name:</b>	
<b>CMRRA Account Number:</b>	
<b>Name of Authorized Signatory:</b>	
<b>Email Address:</b>	

I have read and I understand the RUA and instruct you as follows (please select one only):

- ☐ Please do not remit any Broadcast Mechanical Royalties payable to me for the period in question until such time as a final decision has been rendered on this matter by the Copyright Board of Canada or from an appellate court.
- ☐ Please remit all Broadcast Mechanical Royalties payable to me for the period in question. I enclose a signed copy of the RUA.

**DATE:** \_\_\_\_\_

**SIGNATURE:** \_\_\_\_\_