



ECSA - EUROPEAN COMPOSER  
& SONGWRITER ALLIANCE

# Songwriters' Fee & Master Point Guidelines

**ecsa** european  
composer & songwriter  
alliance



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The advent of **streaming** as the dominant way for listeners to consume their music has proven detrimental to the livelihoods of songwriters. This is due to an imbalanced split between the master right, the recording owned by the record label, and the copyright owned by the songwriter. Depending on the streaming service, the label receives anything from four to ten times as much as what the songwriters who created the song get to split between them and their respective publishers.

This split may have made sense in the physical market, when the labels paid for the pressing and transport of records, with the risk of them being returned if not sold. In streaming, those costs and the risk of returns have been omitted, which has led to a substantial reduction in label costs and, according to Sony Records head Rob Stringer, much higher profit margins.

Historically, most contributors in the value chain have received fees and/or points on the master. This includes mix and mastering engineers, producers and even A&Rs in some territories. Songwriters, however, have typically not been part of this fair and balanced ecosystem.

In several markets, including the UK, Germany and Denmark, initiatives for 'walk-in fees,' 'per diems' and 'development fees' have become a way for songwriters to leverage their skillset in an individual negotiation with labels, artists, managers and publishers.

The song is at the heart of the music business, and this needs to be reflected in the way that songwriters are fairly compensated for their unique skills.

# WALK-IN FEES



In times of sharply decreasing copyright revenues, the work of songwriters is no longer adequately compensated for by income through copyright royalties only. In order to suggest an urgently needed solution for this income gap, **VERSO has presented guidelines for walk-in fees, on-hold fees and expense allowances among other things.** We strongly support ECSA's statement in this matter and believe that we can only find a way to solve this challenge by joining forces with all European songwriting associations.

**ALEXANDER FREUND, VERSO**

# WHAT CAN YOU DO

Approaches may vary from organisation to organisation, depending on access level to gatekeepers such as A&Rs, managers, product managers, the current climate surrounding rights management in your respective territory etc.

In the UK, [the Ivors Academy](#) has launched the [#PaySongwriters](#) public campaign which goes in tandem with parliamentary hearings, op-eds and open letters to law makers from high-profile songwriters and producers.

In Germany, [VERSO](#) has started stakeholder dialogues with both managers and labels to build on the individual relationships that their members already have with these gatekeepers.



We know we have to fix streaming so it's fair, transparent and sustains the careers of the people that create the music we love. Structural reform is needed now more than ever, but in the meantime there are a few quick and easy measures which could help songwriters get by until such time as reform is achieved. **While labels enjoy record revenues from streaming, songwriters are struggling to pay the rent.** The Pay Songwriters campaign provides simple ways for the labels to support songwriters when it's needed most.

HELIEENNE LINDVALL, THE IVORS ACADEMY

In Denmark, [DPA](#) has held talks with publishers, managers and labels as well as having an interview with one of Denmark's biggest contemporary writers in Denmark's premiere music magazine to engage both industry and listeners in the debate.

In short, fees and master points are a practical way for the music industry to maintain a healthy value chain while the legislation and splits of the last century catch up to the market of this century.



The digital devaluation of songwriters' income in streaming has left an entire profession at the station, while the master owners reap the benefit of an ever-expanding worldwide market. To quote a fellow songwriter, **we are trying to save a profession.** Fees and points on the master are one way of creating a more fair and balanced economy that benefits the entire value chain behind the songs that we all enjoy.

TOBIAS S. STENKJÆR, DPA

# HOW DOES IT WORK?

There are multiple negotiable income streams to consider for a songwriter. One does not exclude the other(s), and they may be both complimentary and/or interchangeable. For example, an artist or band that does well on radio will generate more performing rights royalties than a streaming hit or a YouTube sensation.

Development fees should be paid by 'the client', i.e. whoever commissions the work from the songwriter. Hold fees, tracks/stems fee and master points should come out of the master owner's share, typically 'the label', but could also come out of the artist share in some instances, including joint ventures.

01

## Development fee

Songwriters and producers often spend weeks and months developing the musical identity, aesthetics and individual voice of the artists and bands they work with. Their time should of course be compensated. This compensation does not tie in with the rights of a certain body of work, but only to the hours put in.

02

## Master Points

Particularly with artists or bands whose primary market is streaming, points on the master can help offset the gross imbalance of the current streaming split.

03

## Hold fee

If a song is put 'on hold' for an extended period of time, the songwriters and producers behind the song not only take it off the market, but also run the risk of losing any momentum or contemporary edge a song may have.

04

## Tracks/stems fee

The right demo sells the song, and thus any subsequent use of individual tracks or stems from the demo session should be treated as an asset and compensated as such.

# TYPICAL PUSHBACKS

As with all systemic change, initial resistance is to be expected.

Here are some of the typical pushbacks from labels and managers:

## This has never been done before

This is a common way of isolating the individual songwriter's demand, when, in fact, it is becoming increasingly common for songwriters to get both fees and points on the master. The key here is to strengthen the dialogue among songwriters to empower them with the knowledge that they are not alone, and that others are already getting fees and points on the master.

## We can't take away points from the artists/producers

Points should come out of the master owner's share, and in the case of a traditional record deal that's the label. The master right is getting points in a ratio upwards of 5-1, and the easiest thing would be to push the fight out among songwriters, artists and producers to fight over the scraps. This is also a point of alliance between songwriters and artists where artists should make sure they do not have to recoup fees and points given to songwriters and producers. Fees and points should be taken net from the label side as non-recoupable.

## Won't that create a disadvantage for newcomers?

When starting out, songwriters are at an even more disadvantageous negotiation position, because established songwriters have a track record to leverage their bargaining power. However, an industry standard will eventually make it commonplace for all involved songwriters to receive fees and/or points on the master – just like fees and points for producers have become a natural part of any conversation with labels etc. The size of either will always be a matter of individual negotiation.

## Am I obliged to demand the fees or is it voluntary?

As stated above, any negotiation regarding fees and points on the master are always an individual negotiation that should reflect and weigh the risk and potential of a project for the individual songwriter.



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# THE EUROPEAN COMPOSER & SONGWRITER ALLIANCE

The European Composer and Songwriter Alliance (ECSA) represents over 30,000 professional composers and songwriters in 27 European countries. With 59 member organisations across Europe, the Alliance speaks for the interests of music creators of art & classical music (contemporary), film & audiovisual music, as well as popular music.

[www.composeralliance.org](http://www.composeralliance.org)

ECSA's main objective is to defend and promote the rights of music authors on a national, European, and international level. The Alliance wants composers and songwriters to benefit from equitable commercial conditions and, with our members located all across the continent and beyond, we strive to improve the social and economic development of music creation in Europe.

## AUTHORS

This document was drafted by ECSA delegates: Alexander Freund (VERSO, Germany), Helienne Lindvall (The Ivors Academy, UK) and Tobias Stenkjær (DPA, Denmark).

