

14 December 2010

Dear SIR/ MADAM,

MUSIC IN THE BUSINESS ENVIRONMENT

Under the amendments to the Copyright Act and the Performers' Protection Act in 2002, copyright owners of sound recordings and performers will now also derive benefit from broadcast, diffusion (e.g. music-on-hold on a switchboard), and communication of their sound recordings in any public or commercial environment by a third party user in the course of such user's commercial or business activities, for example, background music played in a retail outlet or restaurant.

South African businesses have become accustomed to making payment of a licence fee to SAMRO. There is no connection whatsoever between SAMRO and SAMPRA. The SAMRO payment, only covers the copyright in the underlying musical work – the composition itself - and is not to be confused with the payment due to SAMPRA for the recorded performance of the underlying musical work. The SAMRO payment is not shared in any way with the owner of the sound recording, who has invested in the making of the sound recording, or the performer whose performance is embodied in the sound recording. So, for example you play a Celine Dion recording. You would require a licence from SAMRO which would cover the rights associated with the composition and a **SAMPRA licence for the actual rights associated with the sound recording being played via CD or radio.**

In other words, when you pay SAMRO you pay a licence fee for the usage of the Musical Work that ultimately goes towards a royalty for the composer and publisher who are the owners of copyright in the Musical Works that you play. When you pay SAMPRA, you pay a licence fee for the usage of the Sound Recording that ultimately goes towards a royalty for the record company, that has invested in making the recording of that song, as well as the artist who performs that song.

For more information please visit our website or feel free to contact us directly.
(www.sampra.org.za)

We look forward to hearing from you shortly.

Yours sincerely,
NORMA LE ROUX
SALES ADMINISTRATOR