



Inside Track: What is JASRAC and why do we need an exemption?

Description



If you've pitched tracks to some of our Japanese TV commercial requests then you will have already heard from us about JASRAC, the Performing Rights Organisation (PRO) that collects broadcast and performance royalties in Japan. If you haven't then you may be wondering, what's the big issue?

The crux of it is that instead of collecting royalty fees from the broadcaster, JASRAC charge the agency or brand a percentage of the campaign's overall media spend. This results in fees that can sometimes end up several times more than the initial sync fee.

The situation is further complicated by the Japanese music industry's tendency to provide new music for free and without JASRAC fees (known as 'tie-ins') in return for the promotion and

resulting uplift in physical sales which still dominate the market.

As a consequence of this, licensing non-Japanese repertoire is made that bit more difficult and we have to find ways to make this viable.

According to the UK's PRO the PRS, "PRS members can request that PRS waive the collection of royalties by JASRAC for a limited period under specific conditions. This is to enable members to license those rights directly when commissioned to compose music for a commercial advertisement intended for broadcast in Japan."

However as this waiver only applies to bespoke compositions it still leaves us in a bit of a sticky spot when it comes to existing song licensing.

So what can we do?

Some PROs such as ASCAP, BMI, SESAC and APRA allow "direct licences", meaning that they are cut out of the agreement and no performance royalties will be collected. All of the rights are covered by the sync licence and are included within the payout. It's worth checking with your PRO whether they have a direct licence or JASRAC waiver option so that you know for sure whether you can pitch to these requests.

The other alternative is to license tracks that are not registered with a PRO (and will continue to be for the duration of the licence term). For most artists however, it doesn't make a great deal of sense to hold back tracks that could be collecting performance royalties on the off-chance that they land a Japanese TV commercial. This option typically only applies to composers with a large back catalogue who have a few tracks that never got used and remain unregistered.

We hope that our work with Japanese TV campaigns will gradually make the use of existing songs by lesser known artists more common, however until these very specific market conditions are lifted or adapted we will be limited by the current JASRAC system. When pitching to these particular requests make sure that you understand the requirements and feel free to contact us if you are unsure.