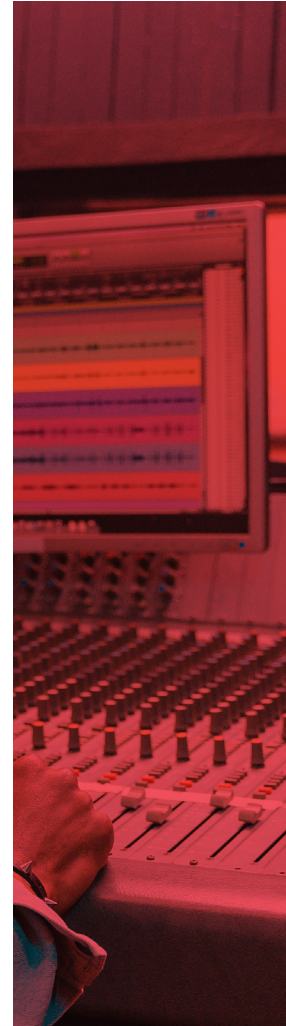
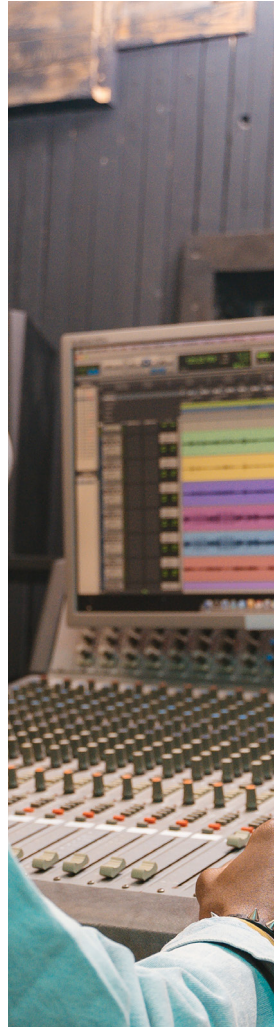
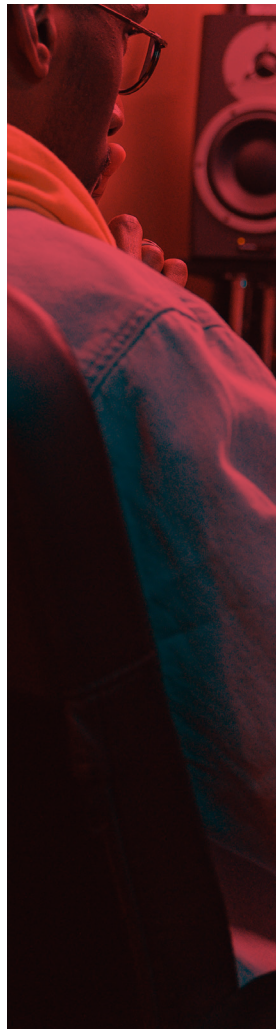


# 2022 Re:Sound Annual Report







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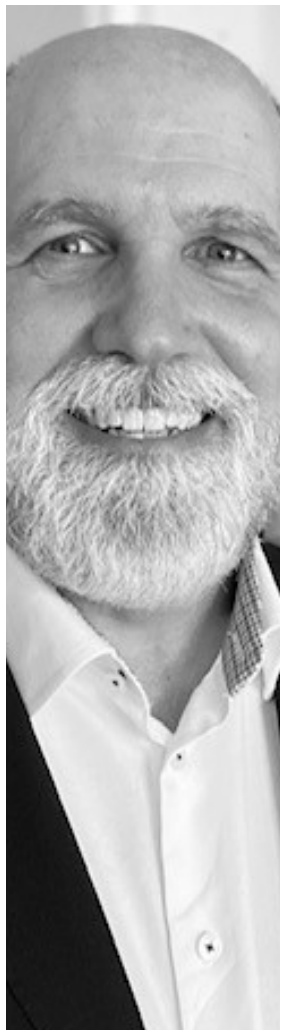
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**LOU RAGAGNIN**  
President & CEO



2022 marked the 25<sup>th</sup> anniversary of Re:Sound. We were established in 1997 as the Neighbouring Rights Collective of Canada when the Copyright Act of Canada was amended to acknowledge the essential role of artists and record companies in the creation of recorded music.

Since then, Re:Sound and its member organizations have achieved so much – from establishing and building our suite of tariffs to launching Entandem, our joint music licensing venture



# Message from the President

with SOCAN, growing a charitable benefit concert to new heights every year and unveiling a state-of-the-art distribution system - and we are just beginning. We continue to innovate in the digital economy to better serve our rights holders. Thank you to our team members and partners for their ongoing commitment and dedication to our mandate.

To better serve our members and rights holders, in 2022 we implemented a new state-of-the-art distribution system. The platform is intuitively designed to automate manual processes while reducing costs and increasing value to our rights holders.

Throughout 2022, we also focused on appealing to government officials in Ottawa on behalf of our members and rights holders to update the Copyright Act to meet the current realities of the Canadian music industry. Our three priorities are removing the \$1.25 radio exemption, amending the definition of sound

recording and updating private copying. We continue to advocate for these changes through 2023 and beyond to ensure equity and fairness for performers and makers.

2022 also marked the 10th anniversary of our annual benefit concert, Re:Wind. In 2022, we partnered with MusiCounts and raised a record \$54,000 for the MusiCounts Band Aid Program. We look forward to continuing our partnership with MusiCounts in 2023.

Last and certainly not least, we'd like to thank the ongoing contributions of the Re:Sound team. Each year they continue to work tirelessly in support of the Canadian music industry by living our five core values – fair, member and rights holder centred, transparent, efficient, dynamic. We'd also like to thank our member organizations for their continued collaboration to do what is best for our rights holders.

# Who We Are

Re:Sound is the Canadian not-for-profit music licensing company dedicated to obtaining fair compensation for artists and record companies for their performance rights.

We advocate for music creators, educate music users, license businesses and distribute royalties to creators — all to help build a thriving and sustainable music industry in Canada. We do this in collaboration with our member organizations: ACTRA RACS, Artisti, MROC, Connect, SOPROQ, Sony Music Entertainment Canada, Universal Music Canada and Warner Music Canada.

## 5 Strategic Themes



**01** Advocate to further the interests of rights holders



**02** Maximize distributable income



**03** Accelerate digital optimization



**04** Leverage strategic partnerships



**05** Drive organizational excellence

## Core Purpose Statement

Together, with our member organizations, we work to maximize revenue at the highest level of efficiency and service to increase the value of music for rights holders.

## Re:Sound Core Values



Fair



Member and Rights Holder Centred



Transparent



Efficient



Dynamic



# Our Team

Our team is made up of talented professionals who are passionate about making a meaningful difference in the lives of performers and makers and ensuring the continued success of the Canadian music industry.

## Management Team



**LOU RAGAGNIN**  
President & CEO



**ARIF AHMAD**  
Vice President,  
Corporate and  
Legal Affairs &  
General Counsel



**DENIS DINSMORE**  
Vice President,  
Finance &  
Administration



**OTIS QUINN**  
Vice President,  
Technology

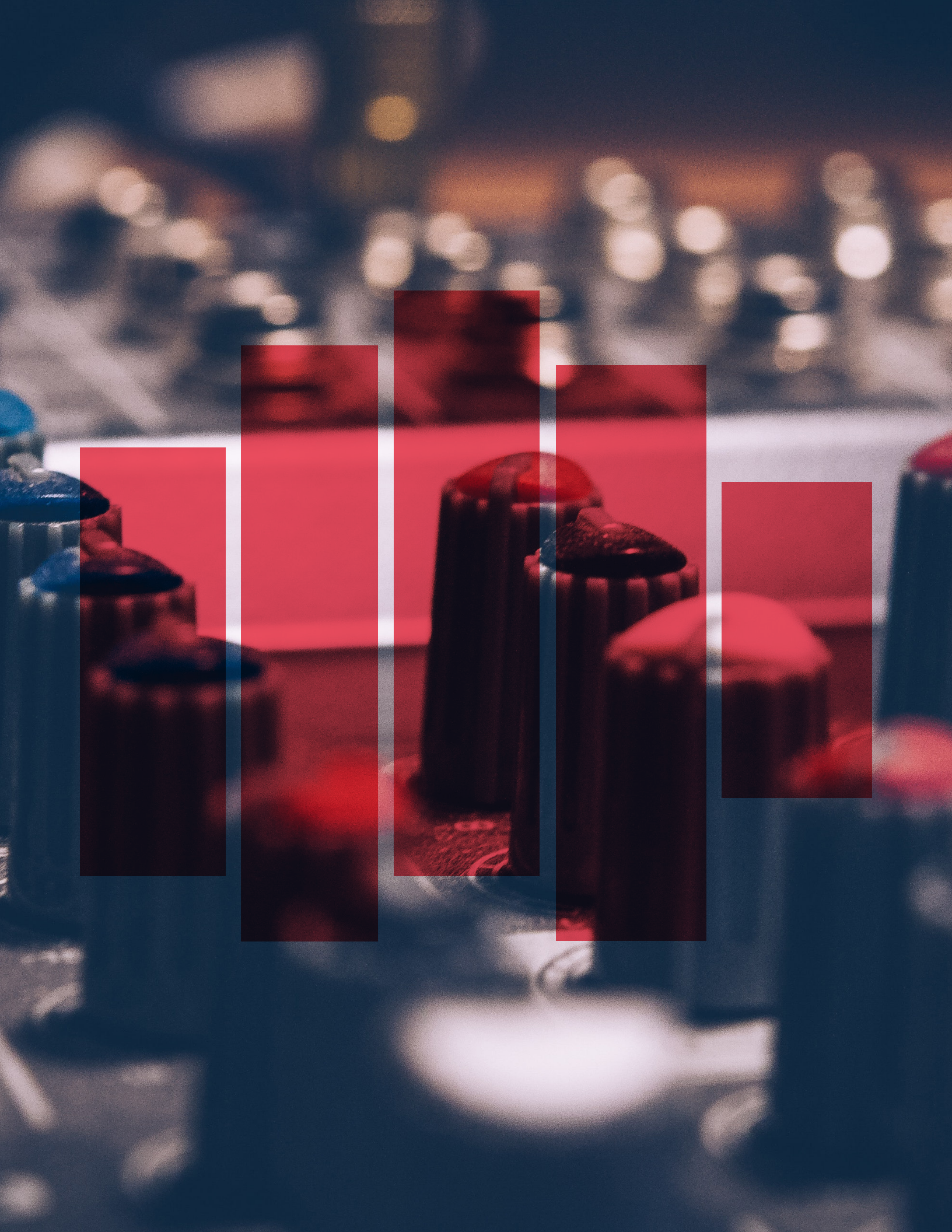


**DORIS TAY**  
Vice President,  
Distribution

## Member Organizations







## Our Board of Directors

- **Andrew Cash**, Director, CONNECT Music Licensing
- **Anna Bucci**, Treasurer, ACTRA Recording Artists' Collecting Society (ACTRA RACS)
- **Annie Morin**, Vice-Chair, La société de gestion collective de l'Union des artistes (ARTISTI)
- **Anthony Ariganello**, Chairperson, Independent
- **Claire Hayek**, Director, La société de gestion collective de l'Union des artistes (ARTISTI)
- **Diana Barry**, Director, Musicians' Rights Organization Canada (MROC)
- **Kortnee Borden**, Director, ACTRA Recording Artists' Collecting Society (ACTRA RACS)
- **Luc Fortin**, Director, Musicians' Rights Organization Canada (MROC)
- **Lyette Bouchard**, Vice-Chair, La société de gestion collective des droits des producteurs de phonogrammes et de vidéogrammes du Québec (SOPROQ)
- **Marcel Deluca**, Director, Warner Music Canada
- **Steve Teixeira**, Director, Universal Music Canada
- **Thiago Kurtz**, Corporate Secretary, Sony Music Entertainment Canada
- **Thomas Jolicoeur**, Director, La société de gestion collective des droits des producteurs de phonogrammes et de vidéogrammes du Québec (SOPROQ)





# Project ReThink

We strengthen the foundation of Re:Sound through strategic investments in people, processes, technology, and products.

Beyond our digital capabilities, we have invested significantly in our technology backbone. These behind-the-scenes investments may not always be apparent from the outside, but they have been integral to managing our business in today's digital world both now and into the future.

Re:Sound is proud of the open and inclusive relationship we continue to strengthen with our members, which is exemplified by their active

participation in developing our new distribution system.

Together, we delivered Canada's first fully scalable cloud-native shared repertoire system. It uses state-of-the-art indexing, matching and elastic searching technology and fully complies with the latest data supply formats, such as DDEX RDR. The new system provides more integrated workflows, a single view of repertoire metadata—a single source of truth. Most importantly, it allows Re:Sound and its members to focus on rights holders.

We went live with the first phase of our ReThink program in Q4 of 2022 and have since successfully processed three distributions out of the system.

## ReThink 2.0 - looking forward »

Today, how we serve, who we serve, and transparency reflects the plan our team has worked diligently to implement over the past three years. Taken together, the considerable system investments and strategic decisions reflected in ReThink will allow Re:Sound to grow and scale for the long term. The next phase of our ReThink program aims to: deliver efficiency to maximize the amount of money we distribute to rights holders, drive innovation to support our digital-first strategy aimed at enhancing value to right holders and accelerate data & analytics.



# Licensing/ Tariffs

## Licensing

All businesses are legally required to pay royalties when broadcasting or playing recorded music in public. Re:Sound and Entandem (Re:Sound's joint venture with SOCAN which administers public performance rights), continued to work closely with businesses in 2022 to ensure a smooth transition coming out of the pandemic while also ensuring that performers and makers receive the public performance royalties they desperately need. Everyone wins when businesses pay for the music they use to drive success.

## Tariffs

As part of its work on behalf of rights holders, Re:Sound is continually reviewing its tariffs to ensure that both the rates and administrative provisions are fair and efficient for both rights holders and music users. Re:Sound frequently works with the relevant industries to create a joint tariff proposal that

satisfies the needs of both rights holders and music users .

Since the implementation of national treatment on July 1, 2020, one of Re:Sound's key focuses has been to adjust each of its tariffs to reflect the expansion of its repertoire which now includes U.S. sound recordings. In 2022, Re:Sound and the Canadian Association of Broadcasters reached an agreement with respect to Re:Sound's Commercial Radio Tariff which includes a rate increase as a result of the expansion of Re:Sound's repertoire.

Also in 2022, Re:Sound participated in a hearing before the Copyright Board of Canada to set the rates for the renewal of Re:Sound Tariff 8 (Non-Interactive & Semi-Interactive Webcasting) for 2013-2018. Re:Sound advocated strongly for the interests of its rights holders in the proceeding and now awaits the Copyright Board's decision on this tariff, which is expected later in 2023.



# Advocacy

As a pillar of the Canadian music industry, we advocate for legislative change to ensure that our industry is sustainable for all music creators.

In 2022, we launched the Fairness for Music Creators campaign, which calls on the Canadian government to urgently update the Copyright Act to meet the realities of the 21<sup>st</sup> century.

## We are urging the government to:



**Update the definition of a sound recording** to allow performers and record labels to be fairly and equitably compensated when their music is performed in movies, television and other audio-visual content.

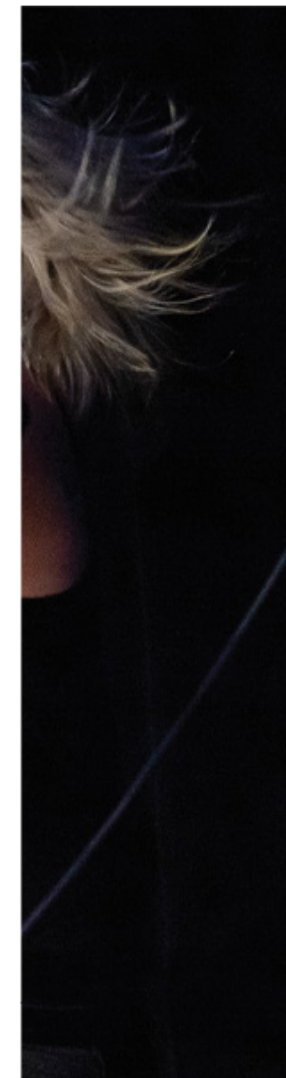
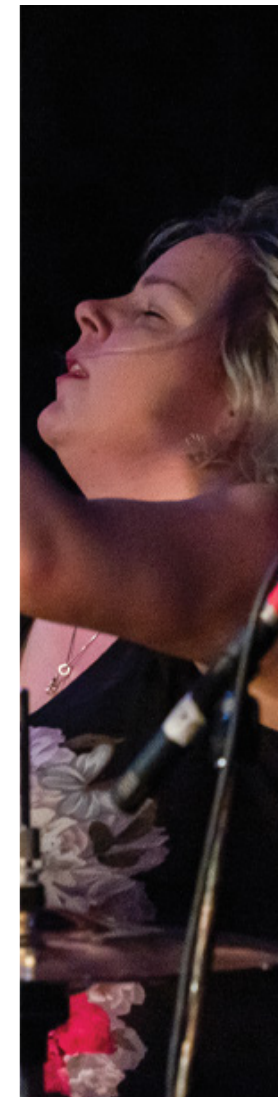


**Remove the unfair \$1.25M exemption** from the Canadian Copyright Act so radio stations can fairly compensate Canadian performers and makers for their work.



**Change the private copying regime** to make it technologically neutral.

Without these changes, Canadian music creators will be left behind in a rapidly changing music industry.



In 2022, we hit the ground running in our efforts to advocate on behalf of Fairness for Music Creators by:

- Meeting with government and elected officials;
- Working with our Member Organizations to call for these changes to the Copyright Act;
- Increasing awareness of these priorities through our various communications channels, such as our newsletters, social media channels and website.

In 2023, we continue to advocate for Fairness for Music Creators in meetings with government officials, in the media and through our social media channels.





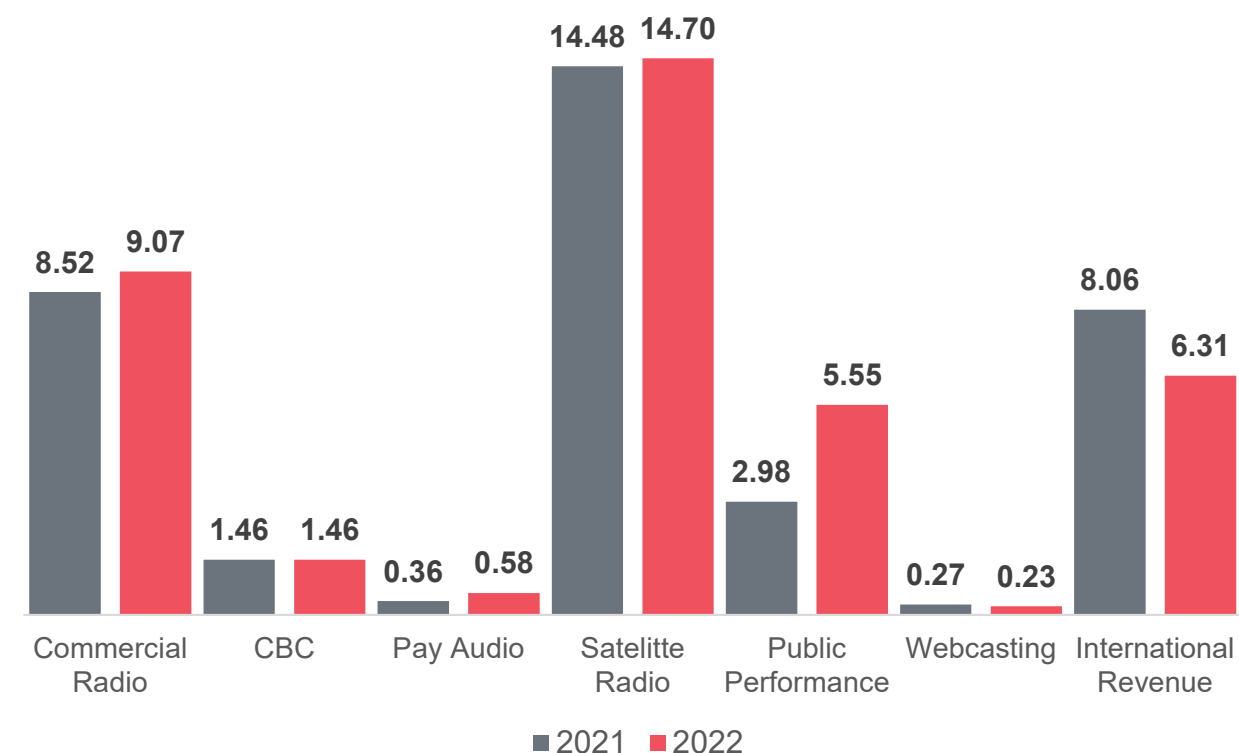
# 2022 Financials

In 2022, Re:Sound saw growth in satellite radio, public performance and commercial radio revenues. Satellite radio continued its year-over-year growth and was the most significant revenue source for Re:Sound.

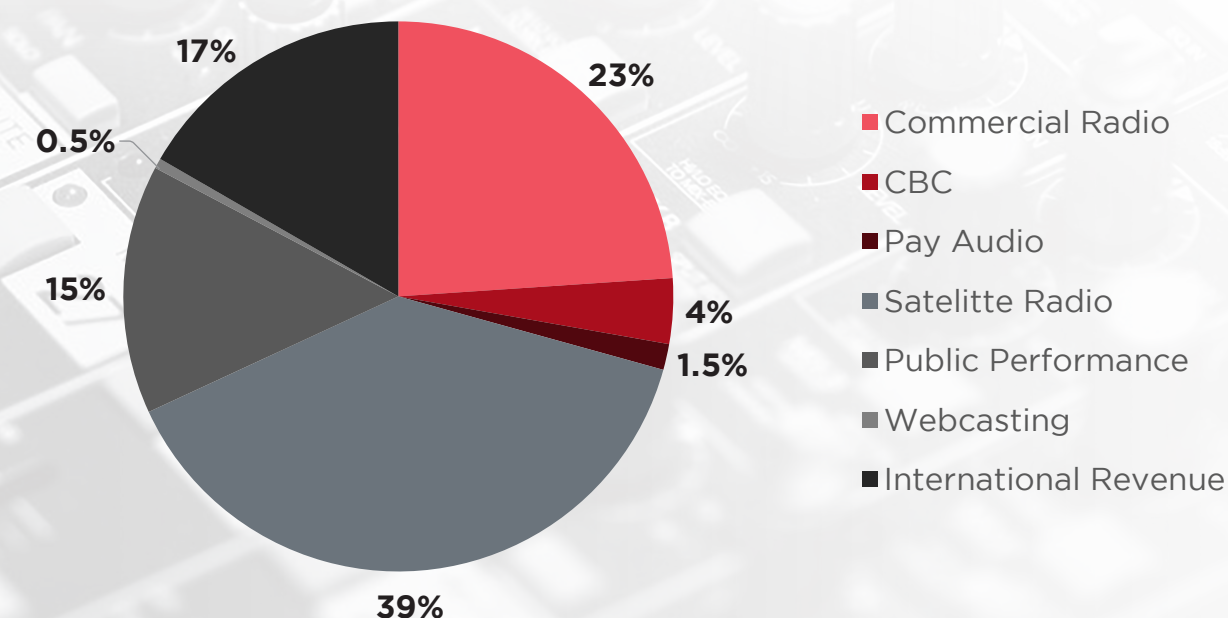
Public performance revenue increased substantially and is nearing pre-pandemic levels. Commercial radio revenue continues to recover more slowly from the pandemic with only a slight increase year over year. On the other hand, international revenues were down in 2022 due to weaker than anticipated collection from the U.S.

At the end of 2022, the amount available for distribution saw an increase of 8.8% over 2021, with \$33.4 million available for distribution compared to \$30.7 million in 2021. Expenses in the year were held to only a 3% increase over 2021 levels, resulting in an expense to revenue ratio of 14.4% in 2022 (compared to 15.6% in 2021), inclusive of both investment and service income.

Revenue by Tariff per Year (\$M)



2022 Tariff Revenue





# Diversity, Equity and Inclusion

Re:Sound is proud to have a diverse team. By knowing the value of our differences, we engage in intentional hiring that continually supports our diversity.

True to our organizational core value Fair – Re:Sound engages equitable practices in every aspect of our human resources and operations procedures. In 2022, Re:Sound invested in developing our inclusion awareness

plan with a training program and a practical plan to implement inclusion in our day-to-day. This work is just beginning and will continue to be a focus of both our training and development program for the Re:Sound team.

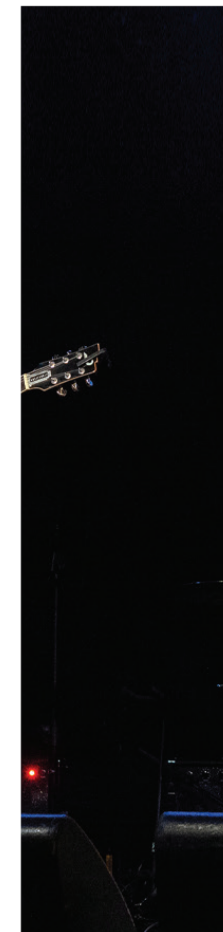


# Giving Back: Re:Wind

2022 marked the 10th anniversary of Re:Wind, Re:Sound's annual benefit concert, and featured a return to live music with a sold-out show at Lee's Palace in Toronto, Ontario.

The show featured JUNO award winning folk trio **Good Lovelies**, along with performances from the Re:Sound band as well as colleagues and industry professionals from CMRRA, SOCAN, Entandem and

Metalworks Institute. Member of Parliament for St. Catharines and Parliamentary Secretary to the Minister of Canadian Heritage Chris Bittle attended and provided opening remarks at the event.



The Good Lovelies

Re:Wind : Back to Live broke our previous fundraising records by raising \$54,000 dollars in support of MusiCounts' Band Aid Program. Special thanks to our top sponsors, Osler, Hoskin & Harcourt LLP and Greenwald Wealth Management – RBC Dominion Securities for their support.

Since its inception in 2012, Re:Wind has raised over \$253,000 for various charities.

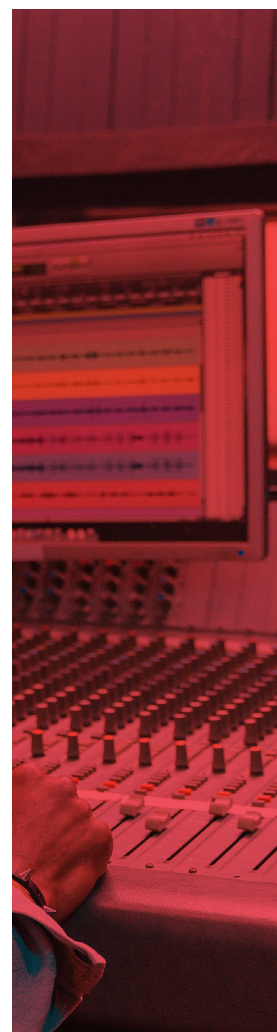
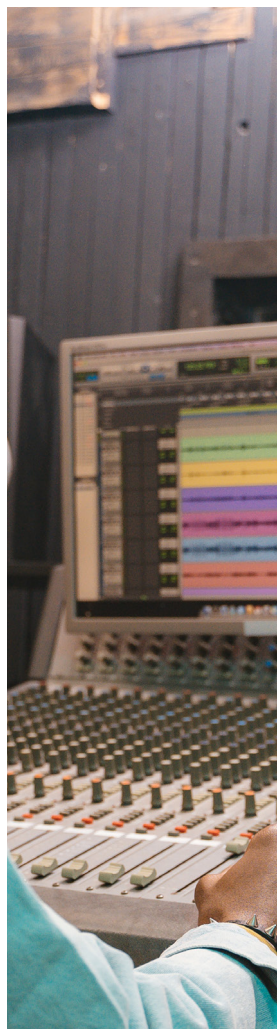
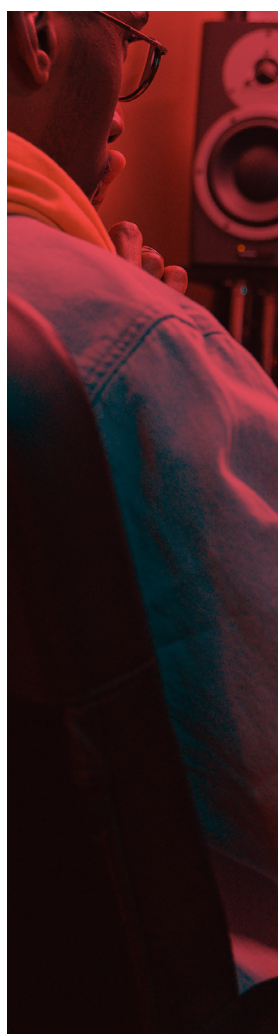
We are excited to continue building on our success in 2022 at this year's Re:Wind, which will return to Toronto on **September 28, 2023**. We look forward to our continued partnership with MusiCounts and the ongoing participation of our sponsors and the music community.





The Re:Sound band





@ReSound MLC    

**resound.ca**

1235 Bay Street, Suite 900 | Toronto, ON Canada M5R 3KR

Photo credit: Only1AndyWright.com