





# SoundCloud and Merlin Announce Global Licensing Deal to Bring Fan-Powered Royalties (FPR) to Merlin Members and Their Artists

**NEW YORK**, **May 4**, **2023** – SoundCloud and Merlin today announced a global licensing deal enabling Merlin members and their artists to participate in SoundCloud's Fan-Powered Royalties (FPR) model.

Through FPR, SoundCloud's first-to-market, user-centric payout model, a share of each listener's subscription or advertising revenue is allocated to the tracks they listen to, rather than their plays being pooled and distributed through the traditional pro-rata model. This allows rightsholders and artists to earn money from their fans' listening behavior, as well as better gain insight into who those fans are and connect directly with them on SoundCloud.

"At SoundCloud, we're committed to being artist-first," said Eliah Seton, Chief Executive Officer of SoundCloud. "The FPR model makes streaming royalties more equitable, helps artists benefit directly from their fans, and opens the door for more meaningful fan-to-artist connection. I'm thrilled that Merlin's extraordinary community of independent labels and distributors, and by extension their artists, will now benefit."

"Merlin is proud to partner with SoundCloud and bring their innovative Fan-Powered Royalties payout model to our global membership," said Jeremy Sirota, CEO of Merlin. "This partnership provides our members and their artists with new revenue opportunities, as well as empowering fans to directly support their favorite artists from across Merlin's global membership. This collaboration will strengthen Merlin's community of independent rightsholders and provide them, and their artists, the tools to build closer relationships with fans."

"Mad Decent was delighted to be an early adopter of the SoundCloud platform," said Jasper Goggins, President of Merlin member Mad Decent. "We're excited that SoundCloud is taking the lead in experimenting with a revenue model that many indie labels have been intrigued about for years. We're happy to be a part of testing this new model through Merlin and we look forward to seeing the results."

Merlin, the independent's digital music licensing partner, represents a significant share of the global recorded music market share, with members including independent record labels, distributors, label services companies, and other rightsholders. Merlin members include companies like Amuse, Beggars Group, Cinq Music, Domino Recording Co., Foundation Media, IDOL, Secretly, Symphonic Distribution, and Too Lost, which will be participating in the FPR program. To learn more about Merlin's long history of driving long term value to members, follow their "15 Years of Merlin" at www.merlinnetwork.org and @merlinnetwork on Facebook, Instagram, LinkedIn and Twitter.

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# **About SoundCloud**

SoundCloud is a music company powered by an ecosystem of artists, fans and curators leading what's next in music. Founded in 2007, SoundCloud is an artist-first platform empowering artists to build and grow their careers by providing them with the most progressive tools, services, and resources. With over 320 million tracks from 40 million artists, the future of music is SoundCloud.

# **About Merlin**

Merlin is the independent's digital music licensing partner. We've negotiated premium deals with Apple, Facebook, SoundCloud, Spotify, TikTok, YouTube, and 40 other innovative platforms around the world. Our global membership is from nearly 70 countries around the world, representing 15% of the recorded music market. We are independent record labels, distributors, label services companies, and other rightsholders. We are a mission-driven organization that operates like a not-for-profit and is funded entirely by our members at a 1.5% admin fee. Merlin's world-class relationships, white-glove support, and suite of partnerships helps independents compete at the highest level.

Merlin's membership includes independents such as Altafonte, Amuse, Armada Music, AudioSalad, Beggars Group, CD Baby and Downtown Music (including FUGA), Cinq Music Group, Dim Mak, DistroKid, Domino, Epitaph Records, Foundation Media, Freeme Digital, IDOL, Kontor New Media, Mad Decent, MNRK Music Group, Monstercat, Mushroom Music, Ninja Tune, ONErpm, [PIAS], Pony Canyon, Redeye, Secret City, Secretly, Symphonic Distribution, Sub Pop, Vydia, and hundreds more.

Find out more at www.merlinnetwork.org

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