



THE FEATURED ARTIST COALITION (FAC) and THE MUSIC MANAGERS FORUM (MMF) combined submission regarding the Consultation on the implementation of the EU Directive on the collective management of copyright and multi-territorial licensing of online music rights in the internal market.

About the Featured Artist Coalition

The FAC is an artists trade body directly representing featured artists who are at the heart of the UK music industry. Without featured artists there would be no music industry. All the members of the FAC board are featured artists.

The phenomenal international success of the British music industry is fundamentally due to the exceptionally talented featured artists that have and are emerging on to the world stage. Adele, One Direction, Sam Smith, Ellie Goulding and Ed Sheeran are examples of highly successful UK featured artists. At the other end of the spectrum the FAC also represents all the new and aspirational struggling featured artists who are trying to get on the first step of the ladder.

The FAC participates in UK Music, PRS and PPL processes.

About The Music Managers Forum (MMF)

The MMF is a trade body representing featured artist music managers who in turn represent featured artists, who are at the heart of the UK music industry.

Featured artist managers take care of the administration of a featured artist's career, provide professional guidance and find opportunities that the featured artist may not have been able to find themselves.

The MMF participates in UK Music, PRS and PPL processes.

General

We welcome the CRM Directive and its policy aims particularly to 'Modernise and improve standards of governance, financial management and transparency of all EU CMOs, thereby ensuring, amongst other things, that rightholders have more say in the decision making process and receive accurate and timely royalty payments'.

One of the core policies of the MMF and the FAC is that CMOs should be democratic, transparent and that all rights holders should be properly represented. We believe that a CMO should be owned by all of the rightholders it represents, and that the construction and voting rights of each rightholder group in the context of decision making, should be fair and balanced as stated in the Directive.

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For example if a CMO administers musical authors rights on behalf of musical authors and publishers then the board structure should be 50% publishers and 50% authors. Similarly if a CMO administers rights for musical performers and phonogram producers then the board structure should be 50% phonogram producers and 50% performers.

As explained above, featured artists are at the heart of the success of the British music industry, and yet featured artists often find themselves having a minority voice or in some cases no voice at all on boards and committees which will shape their careers. Featured artists demand proper and proportionate representation in British music industry processes.

We are only responding to the first 17 questions which are of the greatest concern to us. For the remaining questions we defer to the submissions of PRS and PPL. PRS and PPL are world leaders in the world of collective management and are at the cutting edge of CMO IT systems and data management.

Response

Question 1

We feel strongly that the Option 2 approach should be adopted. This would provide clarity and promote EU legal harmonisation.

Question 2

We would be nervous about adding additional provisions from the 2014 Regulations that do not apply to other EU member states. This could create confusion and a lack of clarity particularly in the context of EU harmonisation. We believe that all copyright and related rights legislation in the EU is too diverse and that any move to harmonise copyright regulations will help business and provide certainty for both the creative industries, licensees and users.

Question 3

We defer to the PPL and PRS submissions. It will not impact us in a financial sense.

Question 4

We are not a CMO but would expect CMOs to retain a revised code of practice which would incorporate the new regulations in the Directive.



Question 5

We are not a CMO but are concerned that 'independent management entities' are not as impacted as 'collective management organisations' as defined in the Directive. This disadvantages 'collective management organisations' compared with their smaller independent 'independent management entity' competitors.

Question 6

Some managers and artists engage 'independent management entities' to administer and manage their international related rights in sound recordings (broadcasting and public performance). Examples of such entities are 'The Rights Agency' and 'Kobalt Music Services (Kobalt Neighbouring Rights)'

These services use PPL to provide income for UK rights but go directly to foreign CMOs and other foreign entities for international collection. They are 'IMEs' as they are private profit making service businesses and generally do not have performer representation on their boards or general assemblies.

Question 7

The FAC and the MMF do not have subsidiaries.

Question 8

Rightholders as defined in 3(c) of the Directive accurately defines rightholders. Rightholders may or may not be members of an appropriate CMO. All musical performers (those that sing, play a musical instrument or make an audible sound on a recording) and musical authors (composers, lyricists, arrangers) are rightholders.

Question 9

We are not a CMO.



Question 10

This is very difficult to define and will vary from one CMO to another. It generally makes provision for a rightholder to allow their works or fixed performances to be used without compensation or for a lower compensation where the use is for a charity or for community activities etc. For example all the artists that performed on the recording 'Band Aid' donated all royalty income to the Band Aid charity.

Question 11

We are not a CMO. Please refer to the submission from PRS and PPL.

Question 12

Rights of remuneration (such as the equitable remuneration that performers enjoy) means that a certain amount of control is given up so that the CMO can provide its licensees with certainty that they can use all the repertoire that the CMO administers. Exclusive rights are stronger wherein the holder has more control or complete control over the uses their work, or fixed performance, can be used for.

Question 13

The provisions in Recitals 18 and 19 are appropriate.

Question 14

As stated above in our section headed 'General' the board of a CMO should incorporate equal, fair and democratic representation and voting rights for each category of rightholder.

One of the core policies of the MMF and the FAC is that CMOs should be democratic, transparent and that all rights holders should be properly represented. We believe that a CMO should be owned by all of the rightholders it represents, and that the construction and voting rights of each rightholder group in the context of decision making, should be fair and balanced as stated in the Directive. For example if a CMO administers musical authors rights on behalf of musical authors and publishers then the board structure should be 50% publishers and 50% authors. Similarly if a CMO administers rights for musical performers and phonogram producers then the board structure should be 50% phonogram producers and 50% performers.

At the annual general assembly all categories of members should be able to vote on all matters.



Question 15

We would consider once every 6 months, but an update can only take place if the CMO in question is able to get up to date information from rightsholders and the appropriate entities. Distribution of royalties to authors, performers, phonogram producers and publishers should also be at least once every six months.

Question 16

In our experience it would be very rare for a featured artist not to be registered with PRS and PPL (or a foreign equivalent).

Question 17

The discretionary provisions may or may not be appropriate but generally speaking anything that ensures fair and balanced representation in the decision making process would be welcome.

Question 18 onwards

We defer to UK Music, PPL and PRS submissions.