

11 May 2021

## **PRESS STATEMENT**

### **SINGLE COLLECTING AGENCY FOR MUSIC COPYRIGHT ROYALTIES**

This Press Statement is issued jointly on behalf of members of our 'User Group', comprising as follows:

- The Associated Chinese Chambers of Commerce and Industry Malaysia (ACCCIM)
- Real Estate and Housing Developers Association (REHDA)
- Malaysia Retailers Association (MRA)
- Malaysia Retail Chain Association (MRCA)
- Malaysian Association of Hotels (MAH)
- Malaysian Association of Hotel Owners (MAHO)
- Malaysia Budget Hotel Association (MyBHA)
- Persatuan Pengurusan Kompleks Malaysia (PPK) or Malaysia Shopping Malls Association
- BB-KLCC Tourism Association

Further to the sudden and unilateral winding up of Music Rights Malaysia (MRM) on 30 April 2020 due to internal problems, we would like to put on record that we have appealed and written numerous times since June 2020 to both the Ministry of Domestic Trade and Consumer Affairs (MDTCA) and MyIPO to urgently establish a succeeding single collecting agency for music copyright royalties.

A single entity is the only rational, efficient and practical solution as we are USERS of the end product in the entire continuum of the process of works from the composers/lyricists, performers/singers and the production and recording of such works.

Very disappointingly, there has not been much progress to date towards an equitable solution from the authorities despite 3 meetings being convened since the last one on 19 October 2020 and despite our appeal for a moratorium, our members have been continually harassed by 3 agencies previously comprising MRM ie Music Authors' Copyright Protection (MACP), representing composers and lyricists; Public Performance Malaysia (PPM), representing recording companies and Recording Performers Malaysia Bhd (RPM), representing performing artistes.

Music Rights Malaysia (MRM) was initially established in January 2017 by the then Ministry of Domestic Trade, Cooperatives and Consumerism (MDTCC) comprising of MACP, PPM, RPM and PRISM Bhd\* (these last 2 agencies both represent performing artistes) at that time and has been functioning well since 2017. Before MRM was established, there were attempts by increasing numbers of bodies lobbying for the rights to collect royalties, purportedly representing various splinter and overlapping groups creating much confusion and uncertainties. There were also acts of increasing intimidations on innocent users including even coffee shops, hawkers and taxi drivers. It was in this flagrant environment that the Minister then saw the wisdom and advantage to have one collection body. All parties ie MACP, PPM, RPM and Prism Bhd agreed to this 1 collection body and we strongly supported and continue to support this wise move to have the single entity and the rationale is still valid and relevant to date.

*\*Prism Bhd was subsequently wound up in November 2018*

### ➤ **The current scenario**

In the current scenario, 3 agencies, MACP, PPM and RPM are now doing their own collections directly from music users. It would appear that although there were problems in the past which was solved with a single collection body, we have not progressed but regressed now back to this inequitable situation.

Since the previous licence fees were paid in 2020 until the period ending December 2020 and there has been no equitable solution from the authorities, our members have had no choice but to take the following action as follows:

- Engage alternative royalty-paid/inclusive music sources/providers eg music streaming/downloads which is much more cost effective but which may deprive local music rightholders from their fees. Notwithstanding this arrangement, we take recognizance of supporting local artistes.

It is impractical and inefficient to deal individually with the current 3 component bodies previously comprising MRM ie MACP, PPM and RPM. This is again leading to proliferation of splinter groups demanding separate fees.

Expecting the Users to separately negotiate with the current 3 bodies as abovementioned is akin to asking Users to negotiate with different part suppliers instead of just negotiating to buy the end-product eg to purchase a vehicle, it is not logical and we are not expected to negotiate and pay separately for the vehicle's wheels or the engine. Of course, we do not feel this is the solution because it is neither cost efficient nor practical.

### ➤ **Survey by MyIPO**

We are glad to have participated in the recent MyIPO survey to ascertain the preference and inclinations of industry stakeholders towards the royalty collection mechanism and its efficiency and equitability. The survey ended on 30 April 2021 and hopefully the views and proposals by all stakeholders will lead to a mechanism that is practical, cost effective and most importantly, fair and equitable to all parties. We look forward to an efficient system whereby the copyright owners will expediently receive their dues after the users have paid their fair dues and an urgent outcome from this survey.

### ➤ **Request for Moratorium and concessions due to impact of covid-19**

Until the mechanism is established, we have appealed for all approaches and demands by the current 3 bodies to be held in abeyance. In view of the stalemate and impasse, we have also requested for a moratorium pending a practical and final solution.

Furthermore, with the covid-19 pandemic since 2020 until to date, shopping malls, retailer and hotels have endured shut-downs, restricted trading terms and hours and low foot traffic and thus, the use of music as background broadcasting has also declined together with reduced audience as well. We had proposed that the fees already paid for 2020 be discounted by 50% and the discounted portion be credited for 2021. Thus, there is no fees due for the 3 bodies to pursue and harass the members of the User Group for this year.

We reiterate our strong belief and are fully confident that MDTCA has the duty and responsibility and in this instance, the absolute need to intervene in order to resolve the stalemate as not only the rights of the copyright holders and more importantly, the users must be equally protected under all circumstances. Thus, it is urgent to ensure the survey results be analysed as soon as possible, conduct stakeholders consultations and arrive at a collection mechanism acceptable to all parties that are practical, fair and equitable.

The above issue has still yet to be resolved since May 2020, and we are issuing this Press Statement to articulate the User Group's stand and proposal for the urgent attention of MDTCA and MyIPO.

Thank you.