

Submission to the UK House of Commons Select Committee (DCMS Committee) Inquiry on behalf of IMPF

1. What is IMPF

The Independent Music Publishers Forum (IMPF) is a network and meeting place for independent music publishers globally. IMPF is based in Brussels, home of the European institutions. IMPF has 90+ members throughout the world including the leading independent music publishing companies in the UK. IMPF members take advantage of the opportunities currently available to ensure that the music their songwriters produce is present on every service and licensed with ease, regardless of borders. And most importantly, IMPF and its members advocates for our writers and composers to be rewarded fairly and adequately for their work.

IMPF:

- Represents the interests of the independent music publishing community worldwide
- Shares experiences and best practices in music publishing
- Exchanges information on the legal framework as it affects the music publishing environment
- Coordinates support projects relevant to composers and music publishers
- Promotes a favourable environment for artistic, cultural, linguistic and commercial diversity for composers and music publishers

IMPF is an associate member of **CISAC** (International Confederation of Societies of Authors and Composers) and **ICMP** (International Confederation of Music Publishers) and works closely with Collective Management Organisations (CMOs), members of CISAC at national level. IMPF has a memorandum of understanding with **AIMP** (Association of Independent Music Publishers), a charter of cooperation with **IMPEL**, the licensing hub for independent music publishers internationally, and a strategic alliance with **The Ivors Academy** to strengthen ties between music creators and publishers. IMPF also works with **CIAM** (International Council of Music Creators) and **IMPALA**, the independent music companies association in Europe.

2. Why IMPF is submitting to the UK Inquiry

IMPF wishes to submit information to the DCMS Committee as it is a significant opportunity to state the importance of having a streaming market that is equitable, fair, transparent, efficient, and pro-creator.

- **EQUITABLE:** value the songwriter contributions to streaming more highly
- **FAIR:** ensure the songwriter gets a fair share of the value generated
- **TRANSPARENT:** oversight of streaming platforms to ensure algorithms are not biased
- **EFFICIENT:** modernization of royalty distribution systems
- **PRO-CREATOR:** adopt the broad principles of the EU Copyright Directive to ensure the liability of online platforms in UK law and include provisions around greater transparency and fairer pay

3. What a music publisher does

The job of a publisher is to help realise the ideas of songwriters and composers, and invest time, money, creativity, and passion in their creations. Indie music publishers offer a particularly customised, boutique level of personal attention to their songwriters and composers.

Music publishing is one of the pillars of the music industry, overseeing the whole process of musical creation. Music publishers are present from the very beginning of the creative process, and in many cases, often initiate creative projects.

Music publishers are responsible for ensuring that artistic potential and creative works are optimised and made available to the public through all possible channels. **Music publishing is a strategic partnership where publishers help authors, lyricists and composers to maximise their growth and aims to provide them with the very best environment in which they can develop their career to the fullest. The revenue generated by music publishers is split between the publishers and their composers / authors depending on their contractual arrangements.**

4. Recent developments in music publishing

The music publishing industry has experienced dramatic changes in recent years. Digitally delivered music has steered consumers towards cheaper ways of accessing music. Mergers and acquisitions mean fewer companies, which weakens the bargaining position of independent music publishers. **Online licensing is fast becoming the major source of income for publishers and writers. IMPF wants to ensure that indie music publishers are getting their fair share, in what is mostly an opaque process with, at times, minuscule returns.**

Additionally, the gravity of the Covid-19 pandemic is a major challenge for the music industry as a whole. With high levels of self-employment and scant access to social benefits, any loss of income directly threatens the very existence of not only thousands of authors, composers and performers, but publishers and the rest of the music chain, many of whom struggle to earn a living even under normal circumstances. The music sector is among the first and hardest hit by this unprecedented crisis.

5. How the music publishing market is divided

There are three major music publishers – Sony/ATV Music Publishing (Sony/ATV), Universal Music Publishing Group (UMPG) and Warner/Chappell Music. Together they hold approximately 55% of the market. In addition, there are larger international music publishers, as well as thousands of mid-sized and smaller music publishers, among them self-published songwriters. A publisher is considered "independent" if its market share is lower than 5% of the overall music publishing market. This is in line with the definition of an indie company followed by the Association of Independent Music (AIM) in the UK, which defines a "major" as "*a multinational company which (together with the companies in its group) has more than 5% of the world market(s) for the sale of records or music videos.*"

6. Digital Income

Digital accounted for 19.1%, or EUR 1.61 billion globally in 2018. In some countries digital is approaching 50% of total publishing royalties: in Mexico, it is nearly 49% of publishing collections; in Sweden it is almost 43% of collections. China and India have also seen huge jumps in digital royalties. Digital income still represents less than one-fifth of global music

publishing revenues. **And this is due to a fundamental flaw in a legal environment that devalues creators and their works.**

It is critically important to tackle the reluctance of some online services to sufficiently remunerate rightsholders for the use of online copyright-protected content. Acknowledged to be of grave concern, the value gap was included in the recent European Union Copyright Directive. **Getting online services to “pay fair” for the music content that enables them to generate large profits, remains at the core of what music publishers and songwriters demand.**

7. Top Markets Globally and Digital Services

The United Kingdom is one of the top ten global markets. PRS for Music distributed EUR 782.3 million in royalties in 2019. PRS for Music's results for 2019 showed digital accounted for 22.1% of performance royalties. The share of the independent music publishing market in the UK is estimated to be 33% of the total national market. That is six points higher than the global estimate of 27% for the indie market worldwide.

Streaming and digital services are clearly growing, and indie publishers want to look at ways of ensuring that the true value of their songwriters and composers work is fully recognised. The “value gap” continues to be addressed in different regions of the world and it is crucial that policy makers understand that the “safe harbour” regime can no longer be used to exempt certain online services from the normal conditions of music licensing. The misuse of this “exemption” by some service providers in recent years amounts to robbery.

In the EU, the Copyright Directive, which aims to address this lack of a level playing field, is in the process of being transposed into national legislation of the Member States. Efficient and accurate implementation is crucial to ensuring that rightsholders are fairly and sufficiently remunerated for the use of their online copyright-protected content. It is hoped that the UK government will implement some similar initiatives and/or legislation to address the issue in the UK. However, it should be noted that low levels of digital income – some one-fifth of the global music publishing income – are not merely due to “safe harbour” issues, but also due to the way licenses are negotiated and the total value of the pot. Unfortunately, as previously noted, we are still seeing a blatant misuse of the safe harbour provisions by certain providers to enhance their negotiating advantage and to pay grossly unfair rates to rightsholders.

Rethinking the way streaming licences are negotiated and granted is clearly on the table. This is particularly important given the impact of Covid on the music industry.

8. The impact of Covid-19

It is impossible to address the issue of fairness in digital licensing without also putting it against the current serious and devastating impact of the Covid pandemic on the music industry. Around the world, there has been a wave of cancellations and postponements of live performances, with many, many more to come. This is having a dramatically ill effect on the livelihoods of all those working in, and connected with, the music sector. While some Collective Management Organizations have ventured to calculate estimated losses, the real impact will only be known, and felt, well into next year, given the timeline between collection and distribution.

As the scale and nature of disruption caused by the pandemic continues to evolve, our industry is facing one of the most significant challenges we have ever encountered. Right now, music

creators are suffering terribly. And as the sector is ever more dependent on streaming royalties, **much more needs to be done to get songwriters a better, fairer deal in the digital market.**

9. Licensing

Licensing agreements are the optimal way to ensure that the works of the authors and composers music publishers represent are rewarded and protected from copyright infringement. While we defend and respect the contractual freedom of all parties involved, we are seeing some digital services claiming that it is not feasible for a platform to obtain authorisation from all rightsholders for the use of protected content on its service. **Let's take a moment here to remind ourselves that copyright is a fundamental right.** When engaging in a copyright relevant act, rightsholders' authorisation is needed. This is a non-negotiable principle. Licensing agreements are therefore the most secure way of obtaining authorisations to communicate to the public or make copyrighted works available to the public.

10. Streaming Rates

The streaming rates issue is the most important and urgent priority for the wider community to address. It is, in fact, a defining issue for where we are at and where we are going to. Rates for publishers have been low from the outset. While record labels are reporting dramatic increases in revenues from streaming services, the publishing sector (and thereby the songwriters and composers they represent) does not benefit from this growth. The publishing sector receive rates of (approx.) 15% for subscription services. This is occurring at a time when the song is becoming more valuable as the business moves to a track-based model. Simply put songwriters, CMOs and publishers need to generate a larger share of digital revenue. **The amount of revenue that streaming services make off the back of creators' work and the gross disparity and inequality of what they pay out has become scandalous. Streaming services need to better support composers and authors for their work. Pay-up and Pay fair.**

11. Members of IMPF

ABKCO Music & Records

Active Music Publishing

Akin Publishing

All Stars Music

Alondra Music

Altafonte Music

Angry Mob Music

Aporia Records

Atlas Music Publishing

Beggars Music

Big Pop Studios

Bloc Notes Editions

Broma 16

Bucks Music Group

Budde Music Publishing

Café Concerto

CCS Rights Management

Cloud 9

Cosmos Music Publishing

Crunchy Tunes

CTM Publishing

Doite Media

Domino Publishing

Downtown Music

Ediciones Musicales Clipper's

Edition Bjorlund

Edition Intro Meisel

Editions Liechti & Cie

Edizioni Curci

Elements Music

El Pedrosillo Ediciones Musicales

Expected Ones Music

Fermata do Brasil	Oud Production	Third Side Music
Freecut Music	Oyez!	TJ Musicservice
Freibank Music Publishing	Pearl Note Music	Tro Editions Essex
Fujipacific Music	PEN Music Group	22D Music Group
Gazell Music	Playground Music Scandinavia	Unlimited Music Brasil
GL Music	Red Brick Songs/Casablanca Media Publishing	Velvetica Music
Globe Art Publishing	Reel Muzik Werks	Wintrup Musikverlag
GMI Rights Management	Reservoir Media	Wixen Music Publishing
Golba Music	Rocking Gorillas Music	
Halit Music	Rossio Music Publishing	
Interstellar Publishing	Rudi Schedler Musikverlag	
K9 Music Publishing	Schubert Music Europe	
Kassner Associated Publishers	Seed Point Music Publishing	
Lusitanian Music Publishing	Sheer Publishing Africa	
Mattie Music Group	Smilodon	
Median Muzik Edisyon	SMV Schacht Musikverlage	
Melodie der Welt	Strengholt Music Publishing	
Metatron Group	Strictly Confidential Music Publishing	
Misty Music	Sugarmusic	
Mushroom Music Publishing	Talit Muzic Publishing	
Music Asset Management	Target Tunes	
Musica Global	Teddysound	
Music Market	The Bank Music	
Musou Music Group		
Nanada Music		
Nordic Music Society		
OMSA		

IMPF, the Independent Music Publishers International Forum, is the global network for independent music publishers. IMPF represents the interests of indie music publishers internationally, shares experiences and best practices, exchanges information on the copyright and legal framework in different territories and jurisdictions, and helps stimulate a more favourable environment for artistic, cultural and commercial diversity for songwriters, composers and publishers everywhere.

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