SERVING AUTHORS WORLDWIDE
AU SERVICE DES AUTEURS DANS LE MONDE
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**the global trade body for independent music publishers**

**COU26-0643**

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Dr. Supratman Andi Agtas, S.H., M.H.
Minister of Law
Ministry of Law Republic Indonesia
Jl. H.R. Rasuna Said, Kuningan
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DKI Jakarta 12940
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Dear Minister Supratman Andi Agtas,

**Re: Letter to Indonesian Government Regarding Copyright Reform**

The International Confederation of Societies of Authors and Composers (CISAC) and the global trade body for Independent Music Publishers (IMPF) respectfully submit this letter to the Indonesian Government to draw attention to international creators and publishers' interests, and to facilitate the government's copyright reform efforts as regards two specific areas: 1) Artificial Intelligence (AI) and the use of text-and-data-mining (TDM) exceptions; and 2) the importance of promoting a decentralized and voluntary collective management system.

CISAC is the leading worldwide organisation of authors' societies, representing more than 5 million creators from all geographic areas and all artistic repertoires (including music, audiovisual, drama, literature, and visual arts) through our 225 member organisations in 110 countries/territories. The diversity of our membership, along with our longstanding history of safeguarding the interests of creators internationally, allows us to provide guidance to national governments and advocate on the behalf of a significant number of affected parties in the search for a consensus on pressing copyright and authors' rights related issues.

IMPF is the global trade and advocacy body for independent music publishers. IMPF works to stimulate a more favourable business environment across territories and jurisdictions, supporting artistic, cultural, and commercial diversity for songwriters, composers, and music publishers worldwide. Independent music publishing continues to assert its critical role within the global music industry, as an important partner for songwriters and composers, a key agent of cultural diversity, and a custodian of songs.

**1) *Broadly-drafted copyright exceptions, such as open "fair use" exceptions or broad TDM exceptions, pose significant risks of undermining the ability of human creators to enforce their rights, and do not provide increased economic benefits nor legal certainty in practice.***

The impact of the proliferation of Generative AI technologies on the creative industry should not be understated. In 2024, CISAC commissioned a global economic study which serves as an important benchmark for assessing the effects of Generative AI on the music and audiovisual sectors. The Study's findings were clear: generative AI poses a significant threat to creative industries, and is positioned to "cannibalise" the revenues of creators in the coming years. It is expected that 24% of music creators' revenues and 21% of audiovisual authors' revenues will be at risk by 2028 as a result of commercial "substitution" of traditional works by generative AI, representing a cumulative loss of €22 billion over the next 5 years.

According to the IMPF Global Market View 2025, independent publishers captured a 26.3% global market share in 2024 and generated revenues of €2.7bn, an increase of 5.1% year-on-year. This reflects both robust market fundamentals and the expanding role of independents as active contributors to creativity, cultural diversity and economic value worldwide, supported by a healthy copyright framework.

These figures demonstrate that any copyright reform must properly safeguard the interests of creators and rightsholders, and that the pursuit of innovation should not come at the expense of their livelihoods. This letter focuses on the proposed amendments of Indonesia's copyright law as of March. As the review of Indonesia's law takes place, we urge the Indonesian government to carefully consider the voices of the international rightsholder community.

The introduction of overbroad copyright exceptions, such as broadening the scope of "fair use" styled exceptions or the introduction of a text-and-data-mining (TDM) exception, will not serve the interests of Indonesian and international creators and rightsholders, nor encourage innovation. This is the case for a number of reasons.

First, plans to broaden the scope of the "fair use" styled exceptions under Indonesian copyright law to include Generative AI poses significant risks for creators and rightsholders due to its lack of a "non-commercial use" limitation, and insufficient rightsholder enforcement measures. Particularly, any broad exception for "research" purposes may open such a provision to abuse by commercial AI companies. There is a danger that it could be used by AI companies to (i) finance TDM projects in research institutions, (ii) create research institutions or (iii) pay for the results of legitimate developments achieved by these institutions, all aimed at circumventing obligations of payment to creators and rightsholders.

Fair use styled provisions such as those featured under U.S. law do not guarantee a high level of legal certainty, neither for rightsholders nor users. Based on the numerous pending cases before U.S. courts concerning copyright protected works and AI companies, the fair use provision is still highly debated, and the outcomes of each case may differ depending on the factual circumstances of the uses in question. Due to this uncertainty, fair-use styled provisions may not provide a solid legal basis for AI companies to use protected works, can impede the conclusion of licenses, and would ultimately weaken the ability of rightsholders to negotiate for fair remuneration.

Additionally, the condition "if the source is stated or listed in full" included in the draft legislation is not an assurance that protected works have been obtained lawfully, nor does it clarify if such a use has been permitted. While this condition was likely added in the interest of promoting transparency, much stronger enforcement measures are needed to ensure that the use of protected works is not the result of unlawful exploitation. Such a standard creates the risk that users will understand that any use of protected works permitted as long as they have gained access to it.

TDM exceptions are also not a reasonable solution when drafted in an overbroad manner, as they do not properly address the full extent of uses of protected works by Generative AI services, and they do not ensure that rightsholders are properly remunerated.

TDM exceptions were first introduced at a time when large-scale, commercial use of protected works for training Generative AI models did not yet exist. Legislators were not aware of the high volume data demands of training large language models, which eclipses all previously known technologies capable of text and data mining. For this reason, among many others, the TDM exception in the EU which is included under the Copyright in the Digital Single Market Directive[1] has faced significant criticism, including by the European Parliament[2], as well as by numerous academics actively challenging the efficacy of TDM exceptions as a viable regulatory solution.[3] Indeed, the TDM exception has created legal uncertainty as is currently subject to legal challenge before the Court of Justice of the European Union[4] as well as in national courts in EU Member States[5].

Finally, broadly-drafted copyright exceptions have the potential to be abused or misapplied, in violation of established international treaty obligations. Exceptions to copyright must abide by the principles reflected at international level in Article 9(2) of the Berne Convention, as reinforced by Article 13 of the TRIPS Agreement, which permits reproduction exceptions only in certain special cases and only where they do not conflict with normal exploitation or unreasonably prejudice authors' legitimate interests. The Berne Convention requires a narrow interpretation of the exception, where permissible activities are clearly defined under the exception. Otherwise, the exception is likely to be abused by services wishing to exploit the exception and avoid paying creators for licensing the uses of their works.

This is an apparent issue in Japan and Singapore, which feature broadly drafted commercial TDM exceptions. Not only have these countries failed to benefit from increased investment in generative AI, but their local creators and rightsholders have also faced the significant consequences of large-scale, commercial, and unlicensed uses of their works. The legal situation in Japan and Singapore has neither been clarified for users, nor provided rightsholders with a sufficient means of controlling when and how their works are being exploited, and is also heavily contested.

A global consensus is growing that broadly-drafted exceptions, while viewed as beneficial for AI companies, lead to a severely unbalanced outcome for rightsholders. For this reason, the governments of the United Kingdom and Australia have rejected[6] the introduction of a commercial TDM exception.

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[1] Art. 4, Copyright in the Digital Single Market Directive 2019/790, OJ L 130, 17 May 2019 (providing for an exception to the reproduction right for Text and Data Mining (TDM) purposes, even when commercial use is involved but only when access to the protected works was lawful).

[2] European Parliament (2025), "Report on Generative AI and Copyright Training, Creation, Regulation." Available at: https://www.europarl.europa.eu/RegData/etudes/STUD/2025/774095/IUST_STU(2025)774095_EN.pdf ("While Article 4…permits text and data mining (TDM) by default—unless rightsholders opt out via machine-readable means—this exception fails to provide any form of compensation. As a result, a structural "value gap" has emerged between the commercial benefits accrued by AI developers and the lack of financial return for the human creators whose works underpin these systems.")

[3] See, e.g., Alonso, E. and Lucchi, N. (2025), "AI And Copyright 'Hallucinations': Does the Text and Data Mining Exception Really Support Generative AI Training?" EIPR vol. 47 (9), pp. 515-526, Available at SSRN: https://ssrn.com/abstract=5401059 (arguing that the application of "TDM rules to GenAI training introduces structural imbalances, both doctrinal and distributive, that risk entrenching platform asymmetries, weakening authorial agency, and threatening cultural diversity").

[4] Case C-250/25, Like Company v. Google Ireland.

[5] Robert Kneschke v LAION e.V., Regional Court of Hamburg, Judgment of 27.09.2024 - 310 O 227/23. Available at: https://openjur.de/u/2495651.html; GEMA v. OpenAI, Case No. 42 O 14139/24, Regional Court of Munich (LG München I).

[6] Statement from Secretary of State for Science, Innovation and Technology Liz Kendall. Available at: https://www.parallelparliament.co.uk/mp/liz-kendall/debate/2026-03-18/commons/written-statements/copyright-and-ai; Statement from Australian MP Michelle Rowland, "Albanese Government to ensure Australia is prepared for future copyright challenges emerging from AI." Available at: https://ministers.ag.gov.au/media-centre/albanese-government-ensure-australia-prepared-future-copyright-challenges-emerging-ai-26-10-2025.

The UK's experience is instructive. After extended public consultation, the UK moved away from the model that it had initially proposed, consisting of a broad, commercial TDM exception permitting AI training on any lawfully accessed content, subject only to rightsholder opt-out. That proposal was abandoned following sustained opposition from the creative industries. The UK's conclusion was not merely that the details of the law needed refinement, but that the opt-out model was structurally flawed. Further afield, the Australian Government has taken a similar approach rejecting a broad TDM exception. Most recently, Prime Minister Anthony Albanese reaffirmed the government's support for Australia's rightsholders, signalling that copyright will remain central to the country's AI policy.[7]

In China, the National Copyright Administration of China (NCAC) has been considering adding a TDM exception in its Implementation of Copyright Act Regulation, but no such proposal was included in the latest public draft Regulation for public consultation.[8] These decisions further demonstrate that the legitimacy and scope of TDM exceptions are in doubt globally.

CISAC and IMPF therefore recommend that the Indonesian government take into consideration ongoing international developments in this area, and to prioritise the enforcement of its current copyright laws to focus on promoting licensing rather than introduce a new exception at this stage. Licensing markets are already emerging across the creative sectors internationally, demonstrating that AI innovation and copyright protection are not opposing forces. On the contrary, a sustainable, ethical, and competitive AI ecosystem depends on respect for copyright, transparency, and licensing. Weakening copyright protections will not accelerate innovation; it will simply transfer value from rightsholders to technology developers.

***2) Collective licensing in Indonesia should be decentralised, rightsholder-led, and voluntary.***

Drawing from international experience of collective management of rights, rightsholders are best served when they are able to freely choose how they are represented, and how they are remunerated.

Rightsholders must be able to freely authorise the use of their works and recordings, including through voluntary licensing. This principle is enshrined by international copyright treaties such as the Berne Convention and the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs).

Creating a mandatory, centralised system that takes over the licensing rights for all music users would be out-of-step with established industry practice, threaten the rights of creators to freely enter into licensing agreements, and destabilise existing contractual relations and practices with digital music services. We therefore raise our concerns regarding the role assigned to the National Collective Management Institution ('LMKN') under Government Regulations No. 56 of 2021 and Ministry of Law Regulations 27 of 2025 on the management of royalties for song and musical works ('the Regulations') which grants exclusive authority for the licensing, collection and distribution of music royalties. It is our understanding that it is an interim arrangement, and the collective licensing regime will be further amended in the upcoming Copyright law amendment. For this reason, CISAC has been cooperative with the Indonesian Government and LMKN after the promulgation of the Regulations 27 of 2025.

We welcome the model proposed under the parliament draft Copyright Amendment bill that a Komisi Manajemen Kolektif Nasional or The National Collective Management Commission ("KMKN") should be set up solely for the purpose of supervision of the activities of LMK while only 3 music-related LMK (one LMK for music authors, one LMK for music labels, one LMK for music performers) would be approved by the Indonesian government responsible for licensing, distribution and other CMO operations. Under this proposal, rightsholders in Indonesia could retain the choice to issue licences

[7] Media Release, 15 June 2026, "AI in Australia's interests." Available at: https://www.pm.gov.au/media/ai-australias-interests.

[8] National Copyright Administration (China), "Announcement from the National Copyright Administration on Soliciting Public Opinions on the Draft Amendments to the Implementing Regulations of the Copyright Law of the People's Republic of China." 13 June 2026. Available at: https://www.ncac.gov.cn/xxfb/tzgg/202607/t20260713_998657.html.

on a voluntary basis, and the existing CMO infrastructure in Indonesia could remain decentralised and allow other organisations to support collective management.

Our global membership is largely united in their support of voluntary licensing, and Indonesian copyright reform efforts should take this global consensus into consideration. The best solution going forward is to support an industry and rights holder-led licensing framework, revoke the Regulations and not proceed with the current DGIP revised version of the Copyright Amendment bill in which KMKN is over-empowered with both supervisory and licensing functions.

Overall, it is our hope that the Indonesian government will adopt a cautious approach to its reform efforts and focus on strengthening its voluntary licensing market to ensure that its creators and rightsholders are remunerated for the use of their works. We firmly believe that a more robust creative marketplace for human creators can coexist with, rather than undermine, innovation in the field of AI.

We look forward to continuing its engagement with the Indonesian government as it continues its copyright reform efforts.

With kind regards,

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