

THE NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NO. 2637

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Mr E Mthethwa (EFF) to ask the Minister of Trade, Industry and Competition:

- (1) What steps of intervention did the Companies and Intellectual Property Commission (CIPC) take to investigate the reported conflict of interests between the Recording Industry of South Africa (RISA) and SA Music Performance Rights Association (SAMPRA), as an accredited collecting society, around the sponsorship of a category at the 2016 edition of the SA Music Awards (SAMA) given that the SAMPRA and RISA chairman happened to be the same person;
- (2) On what basis did the CIPC deem it fair and/or regular that a regulated collecting society like SAMPRA should absorb losses incurred by RISA as a result of the 2016 edition of SAMA;
- (3) Whether the fact that the amount of the 2016 SAMA sponsorship was budgeted for by SAMPRA at R12 000, but that the SAMPRA-RISA Chairman approved a sponsorship amount of R600 000 including the value-added tax, raised any concerns with CIPC as the regulator of SAMPRA; if not, what is the position in this regard; if so, what are the relevant details?

NW3021E

REPLY:

The Companies and Intellectual Property Commission (CIPC) has furnished me with the following response to the question, received from Adv R Voller:

- “(1) Prior to 2016, SAMPRA was accredited as a Collecting Society for owners of sound recordings in terms of Regulation 3(1)(a) of the Regulations on Collecting Societies. It was in 2016 that SAMPRA transited into a Collecting Society representing both owners of sound recordings and performers in terms of Regulation 3(1)(c) of the Regulations on Collecting Societies.

During such period of changing its representation, an interim board was established representing both performers and owners of sound recordings. The interim board served to approve all business activities of the Collecting Society.

The Companies and Intellectual Property Commission (CIPC) is not aware of any situation that might have availed a conflict of interest especially that the interim board constituted of two chairpersons representing the interests of all members (the performers and owners of sound recordings).

Further, there was no complaint or request directed to CIPC to investigate such conflict of interest. The SAMPRA as an accredited Collecting Society is also subjecting itself to auditing by its auditors.

- (2) The CIPC is not aware of any information indicating that SAMPRA absorbed losses incurred by RISA as a result of 2016 edition of SAMA but should such information be brought to its attention, it will investigate the matter accordingly.
- (3) During the transitioning period, the interim board was established to approve the business affairs and transactions at SAMPRA. The CIPC is therefore not aware of any sponsorship amount of R600 000 approved by SAMPRA – RISA Chairman, which belonged to SAMPRA.

If there is any information indicating that SAMPRA monies were approved contrary to the parameters of the Regulations on Collecting Societies, CIPC is prepared to investigate such allegations, as mentioned above. The SAMPRA has been consistently deducting its 20% administration costs in accordance with the Regulations.”

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