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Department:  
Trade, Industry and Competition  
REPUBLIC OF SOUTH AFRICA

## THE NATIONAL ASSEMBLY

### QUESTION FOR WRITTEN REPLY

#### QUESTION NO. 3047

**Inkosi R N Cebekhulu (IFP) to ask the Minister of Trade, Industry and Competition:**

What (a) steps is his department taking to resolve outstanding grievances of musicians on the payment of royalties, (b) initiatives are being undertaken by his department to ensure a more efficient and transparent process in distributing royalties and (c) reforms have been made to modernise organisations responsible for the collection of royalties? NW3881E

#### REPLY

I am advised by the Commissioner of the Companies and Intellectual Property Commission (CIPC) of the following:

- (a) The CIPC held a meeting with the South African Broadcasting Corporation (SABC), which is a big user of sound recordings for needle-time rights to establish a working relationship between the two entities. In terms of the envisaged working relationship, the SABC will share with CIPC the data/information on the use of sound recordings. The data/ information from SABC, will be used to verify distributions made by Collecting Societies (SAMPRA and IMPRA) in this regard. Data/information on usage in simple terms determines how much performing artists and owners of sound recordings must get as their royalty for the use of their music repertoire.
  
- (b) The data / information from SABC, which shows how many sound recordings were used or played, will be made available to CIPC and Collecting Societies. This will create transparency and efficiency in the distribution process of royalties. Of the two Collecting Societies that CIPC is regulating, an audit has been performed on SAMPRA processes and systems to ensure transparency and a further audit to all distributions will be performed. A tracking register has been developed with SAMPRA to track the improvement on its systems and processes.

CIPC has also embarked on robust education and awareness sessions to the performing artists and owners of sound recordings. The sessions explain their rights as members of the Collecting Societies so that they can enforce accountability and transparency in the manner in which such Collecting Societies run their business. This is also to ensure good governance.

- (c) CIPC has requested the World Intellectual Property Organization (WIPO) in writing to send a mission to South Africa for technical assistance to Collecting Societies and big users such as SABC on how best to generate data / information on use of sound recordings using new technological system. This will, in our view create a more transparent system and accountability.

**-END-**