



**the dtic**

Department:  
Trade, Industry and Competition  
REPUBLIC OF SOUTH AFRICA

## THE NATIONAL ASSEMBLY

### QUESTION FOR WRITTEN REPLY

#### QUESTION NO. 2100

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

- (1) With reference to the Copyright Review Commission (CRC) of 2011 which, among other things, found that the Southern African Music Rights Organisation's (SAMRO) ratio of approximately 30% was excessive in relation to the international average, and in light of the fact that SAMRO has been confirmed as having the lowest average ratio of revenue collected to labour costs when compared to other collection societies, what are the details of the progress that has been made regarding the CRC's recommendation that SAMRO be given three years to resolve the specified matters amongst other compliance and governance related issues;
- (2) Whether he has been informed about the media reports highlighting mismanagement of royalties, lack of corporate governance and corrupt activities, especially that SAMRO is a company registered under the laws of the Republic regulating the conduct of companies; if not, what is the position in this regard; if so, what are the details of his reaction and/or response to the specified concerns;
- (3) What actions has his department initiated to break the (a) capital monopoly in the current royalty collection arrangement, (b) anti-competition behaviour reinforced and/or ringfenced by the department's endorsement of the SA Music Performance Rights Association's Development Fund in isolation of other collecting societies? NW2428E

#### REPLY:

- 1) The Copyright Review Commission Report (CRC 2011) was commissioned by **the dtic**. SAMRO is not regulated by the CIPC in terms of the Copyright Act, 1978 and the Regulation on Collecting Societies, 2006.
- 2) CIPC does not regulate SAMRO and therefore there is no legal basis to investigate SAMRO.
- 3) (a) The correct body to deal with capital monopoly and anticompetitive behaviour is the Competition Commission, (b) Collecting Societies are allowed to have developmental programmes / projects as per the Regulations on Collecting Societies 2006. The Regulations specifically allow for proceeds to be used for the promotion of the creative arts and culture as well as for welfare purposes.

**-END-**