

NEWSLETTER MARCH 2017

IFPI LATIN AMERICA

PERFORMANCE RIGHTS REVENUE UP BY 9% IN 2016

Music licensing companies (MLCs) in charge of collecting performance rights in Latin America and the Caribbean on behalf of artists and record companies worldwide have seen a 9% increase in their local currency revenues in 2016, to USD 195.8 million.

Due to depreciation of local currencies compared to the US dollar, revenues in current dollars show a 10% reduction versus 2015.

This regional behavior is due to a 25% growth in the South Cone, a 19% rise in Central America and the Caribbean; a 12% rise in the Andean region; and falling revenues in Brazil and Mexico of -2.7% and -5.2% respectively.

Revenues from broadcasters amount to 49% of the total, showing a 2% growth. Revenues from commercial venues grew by 17% and account for 51% of total revenues.

Expenses went up by 8%, while the amount to distribute grew by 10%.

These results come amidst a difficult economic environment. According to data published by ECLAC (www.eclac.org) in its report of December 16, 2016, the region shows a 1.1% contraction of its gross domestic product (GDP) in 2016, a worse performance than the one achieved by the region in 2015, when GDP fell by only 0.5%.



40,000 NEWLY LICENSED COMMERCIAL VENUES IN 2016

In 2016, the number of commercial venues acquiring a recorded music license from the 17 active MLCs in Latin America and the Caribbean rose to 660,000. During the last year, MLCs licensed 40,000 venues more than in 2015, which means a 6% increase in the number of businesses compensating artists and producers for the use of their music recordings in restaurants, stores, gyms, bars, party venues and hotels, among other premises open to the public. Brazil, Colombia and Argentina—in that order—are the countries with the largest number of licensed commercial venues.



COLOMBIA'S MINISTRY OF TRANSPORTATION RECOGNIZES PERFORMANCE RIGHTS FOR MUSIC PLAYED ON BUSES

On a letter dated February 17, 2017 and addressed to the National Copyright Office, Colombia's Ministry of Transportation, through its Deputy Minister, recognized the right of performers, authors and phonogram producers to receive payment when their music is played on buses and other public transportation systems.



This government recognition ends the conflict that arose when Organización SAYCO ACINPRO started to collect licensing fees for performance rights from land transport associations and companies, and some high-level officials from the Ministry of Transportation reacted by publicly questioning such payments.

PAY TV PROVIDERS IN THE DOMINICAN REPUBLIC AGREE TO PAY PERFORMANCE RIGHTS



In the first days of March, SodinPro—the Dominican MLC—signed a license agreement with the leading pay TV provider in that country, i.e. Codetel-Claro. The agreement puts an end to a long dispute with this group of music users and recognizes that performers and producers must be paid for the use of their

phonograms. Other pay TV providers have already expressed their intention to follow suit, so it is expected that the whole sector will soon become compliant with copyright legislation.

SOLID CASE LAW ON COLLECTIVE MANAGEMENT IN COSTA RICA

Under the auspices of IFPI LATIN AMERICA, a legal analysis was made of over one hundred court decisions from multiple Costa Rican jurisdictions, showing that there is solid case law on collective management in that country. The analysis covers the most relevant areas of collective management, such as its legitimacy, the power of MLCs to establish rates, international rights management, and adequate proof of usage of music. The results ratify the robustness of the Costa Rican legal system as regards collective management, and thus help to shed light on the conflict that our affiliate FONOTICA has been facing over the last years in its campaign to protect performance rights in Costa Rica. This legal analysis, which will soon be published by a leading local university, features the contribution of lawyer Ana Grettel Coto.



CLEAR COMMITMENT OF PERU'S INDECOPI WITH PERFORMANCE RIGHTS

The National Institute for the Defense of Free Competition and the Protection of Intellectual Property (INDECOPI) is the Peruvian entity entrusted with protecting the rights of rights holders in the creative industries. The Institute makes continuous efforts to uphold intellectual property rights, as laid down in and recognized by both copyright legislation and different free trade agreements.

As part of these efforts, INDECOPI has just developed an application called "Sintonízate" (Tune in!), which can be accessed via its website at www.indecopi.gob.pe/sintonizate-con-la-musica. The application makes it easier for those running a permanent establishment to calculate a benchmark rate for their use of the music repertoire administered by the different collective management societies. This tool will allow UNIMPRO's commercial team and the persons running the establishments to arrive at the approximate rate to be paid for performance rights.



We wish to highlight INDECOPI's effort through this initiative as well as its ongoing support to MLCs in the enforcement of intellectual property legislation.