

The Collective Management of Copyright (EU Directive) Regulations 2016 (**Regulations**) came into force in the UK on 10 April 2016. The Regulations implement EU Directive 2014/26/EU on the collective management of copyright and related rights and multi-territorial licensing of rights in musical works for online use in the internal market (**CRM Directive**).

The Regulations include certain rights for all rightsholders in relation to their dealings with collective management organisations (CMOs). This page provides details of those rights. As the wording is quite technical (because it reflects the wording of the Regulations), this page also includes some comments on how the rights apply in the case of PPL.

 Rightsholders have the right to authorise a CMO of their choice to manage the rights, categories of rights, types of works, and other subject matter of their choice, for the territory of their choice – irrespective of the nationality, residence or place of establishment of either the CMO or the rightsholder.

In the case of PPL, the rights that each recording rightsholder member appoints or has appointed PPL to manage on their behalf are set out in their membership agreement(s) with PPL. Joining PPL as a performer member in respect of the UK does not involve transferring any rights. PPL simply collects and distributes royalties due to performers from the owner of the rights in the recorded music track. PPL does not impose any restrictions on joining or registering with PPL based on nationality, residence or place of establishment.

 CMOs must manage those matters that a rightsholder has authorised it to manage, provided that they fall within the CMO's scope of activity or unless it has objectively justified reasons to refuse management.

The CRM Directive allows CMOs to set their scope of activity (i.e. the rights that they manage). In PPL's case, the rights that it manages are set out in its membership agreements (current versions of which are available on PPL's website, under the "What rights in my recordings are granted to PPL when I join as a member?" FAQ and in its articles of association. As noted above, PPL may refuse to manage a rightsholders' rights if there are objectively justified reasons to refuse to do so. For example, PPL is entitled (but not obliged) to refuse a recording rightsholder's application for membership if they do not meet the "Membership Eligibility Criteria" set out in PPL's articles of association.

• Rightsholders have the right to grant licences for non-commercial uses of any of the rights etc that they authorise a CMO to manage, subject to any conditions imposed by the CMO.

PPL's articles of association have been amended to confirm that its recording rightsholder members have the right to grant licences for non-commercial uses, subject to compliance with the conditions that PPL adopts from time to time. These conditions are published on PPL's website <a href="here">here</a>.

Rightsholders have the right to terminate or limit the authorisation they have granted to a CMO to manage their rights etc, upon serving reasonable notice not exceeding six months (unless the CMO decides that termination or limitation will only take place at the end of its financial year).

If there are amounts due to a rightsholder for acts of exploitation which occurred (or under a licence granted) before the time when such termination or limitation takes effect, the rightsholder retains certain rights in relation to such amounts under <u>Regulations</u> 11 (deductions), 12 (distributions), 17 (information), 19 (information on request), 27 (payment) and 31 (complaints).



## In the case of PPL:

- o For international collections, recording rightsholder or performer members are entitled to terminate their international collections agreement with PPL, or limit the overseas territories in which they have authorised PPL to collect for them. They must give PPL at least 6 months' written notice in the first year of such agreement, at least 3 months' written notice in any subsequent year. The termination or limitation shall take effect on 31 December in the relevant calendar year.
- For all other mandates, recording rightsholders are entitled to terminate the authorisation to manage those matters upon giving at least 6 months' written notice. As noted above, joining PPL as a performer member in respect of the UK does not involve transferring any rights.

These matters are set out more particularly in <u>PPL's articles of association</u> and in the relevant membership agreement(s) terms and conditions (available on PPL's website, under the "What rights in my recordings are granted to PPL when I join as a member?" FAQ) and, in the case of complaints, in <u>PPL's Code of Conduct.</u>

If you have any questions in relation to the information set out above, please contact PPL's Member Services team at memberservices@ppluk.com, or by telephone on 020 7534 1234.