

LIVE DMA WORKING GROUP (WG)

RELATIONS BETWEEN CMO'S (COLLECTIVE RIGHTS MANAGEMENT ORGANISATIONS) AND LIVE MUSIC ASSOCIATIONS

Online

19th December 2023 – 14.00 CET

Live DMA members often share concerns about their relationship with CMO's and testify about misunderstandings between them, unbalanced negotiations and even abuse of position. This WG offered an online space for peers to peers' exchange. Live DMA members got the opportunity to share problems encountered at national level, and get support and expertise from members in other countries. The objective of the working group is to reinforce the positions of Live DMA members at national level and increase their capacity to negotiate fair deals with the CMO's. The results of this WG might also lead to collective actions to the European level, through a joint letter to the European Commission for instance.

To prepare the session, participants were asked to prepare two slides:

1. Give an update of the current tariff rates of your members.

- Negotiated tariffs (yes/no)
- Category you are referring to (indoor venues, open air events etc)
- For each category, indicate the basis of calculation and % of tax. You can duplicate this line if you have several taxes collected (authors' rights, neighbouring rights etc.)
- For each tax, name the collecting society
- You can then duplicate the information for each different category by copying/adding slides (ex: one slide for venues, one slide for open air events etc.)

2. Explain one of your current challenge in your relationship with your collecting societies

Joppe Pihlgren, CEO of Svensk Live (Sweden) chaired the session and introduced it by reflecting on its own experience. In 2023, Svensk Live concluded negotiations with their CMO and the results were satisfying: the tariff is now negotiated on percentage rather than on fixed fees. However, there are still things to improve in the protocol, especially to develop some redistribution schemes to insufflate some money back in the live music sector to support the music scenes.

The negotiations were moderated by a governmental agency and Svensk Live was helped by a lawyer. It is important that negotiations are carried out in a good business manner especially because CMOS often have a monopoly on the market. CMO's have an obligation of transparency and must share their numbers, and vice versa.

In Sweden, as well as in other countries, music venues and festivals do not pay the same tariff. It is also "tradition" that big ones obtain better deals. The argument is that collecting and redistributing small amounts of fees represents higher management costs and efforts with less profit; even though ideally, the tariff should be the same for everybody. Based on the members' roundtable, it's common that big players pay less (in %) than smaller ones. In Belgium, the tariff is digressive for music festivals. In Italy, the big promoter's organisation obtained a negotiated tariff while grassroot music venues did not. Only in Germany, the rate is the same for indoor and festivals, and it increases the bigger the event gets.

See below the recap of the problems and recommendations identified by Live DMA members, in yellow the common topics/ priorities stressed during this WG online sessions.

IDENTIFIED PROBLEMS BY LIVE DMA MEMBERS	LIVE DMA MEMBERS RECOMMENDATIONS
TRANSPARENCY	
Difficult access to revenues figures of the CMO's	These numbers are available (as CMO are public/publically funded) but it is hard and laborious to find the info >> have a research on this / spend time on each CMO website?
Lack of understanding of copyright law from the live music sector (venues & representative association)	Better access to info sessions
No access to redistribution details to the artists	Connect with artists and managers to join strengths. Blockchain technology as a solution?
What cooperation between the different CMO's when booking artists from abroad?	Access agreements
FEES	
Big difference between venues and festivals	Align the tariffs on a %
Calculation of rates unfair: counts the bar and not only the visitors (ticketing)	Calculate the fees only based on ticketing incomes
Difficult rate for free events	
Sometimes, CMO do not have a clear understanding of the live music sector. Ex in Estonia: CMO does not define what is a club. They still use the word discotheque	Talk with CMO representatives to explain how venues/clubs work and agree on national definitions. But it's hard to find a single interlocutor.
CMO tariff to be paid on top of artist fee, it is not reduced from it	Ensure a fair redistribution of the fees to the artists who actually performed in the venues
Unbalance consultation/participation/consideration of live representatives in the negotiations	
Live music organisers sometimes pay a fee when booking artists although they are not part of the CMO's catalogue	Blockchain technology as a solution?

See below an update of the tariffs in some of Live DMA countries

COUNTRY	NEGOTIATED	CATEGORY	BASIS OF CALCULATION	CMO
SWEDEN	YES	VENUES	4% up to a ticket price of 65 Euro and over that level it is 3%.	STEAM
SWEDEN	YES	FESTIVALS	5,5% of ticket price up to 150 000 Euros and after that the fee goes down to 2,5%. Meaning small festival pays 5,5% and a big 2,6%.	
BELGIUM	NO	VENUES	8%	SABAM
BELGIUM	NO	FESTIVALS	6% with a degressive tariff as low as 2,5% based on turnover	
SWITZERLAND	YES	VENUES	9% for <1'000 pax to 7.5% for >10'000	SUISA
SWITZERLAND		FESTIVALS	8.5% - 7%	
ITALY	Only big promoters		Fixed amount and then 10% on tickets	SIAE
ESTONIA		POP MUSIC	Min 30€ or 5% ticketing	EAU
ESTONIA		SYMPHONIC	Min 30€ or 9% ticketing	EAU
ESTONIA		CHORAL	Min 30€ or between 5-7% ticketing	EAU

WHAT IS A FAIR TARIFF?

Why would there be a difference between venues and festivals? Why would there be a difference between music venues across Europe?

- The live music organisations would prefer a percentage calculated on the basis of the room capacity or attendance.
- The live music organisations request more transparency on the management costs of the CMOs, redistribution and deals with sister societies in other countries.

NEXT STEPS

- Make a proposal towards harmonized percentage fees and basis of calculation between organizers and countries across Europe.
- Request more transparency and redistributive funds to the sector