**NATIONAL ASSEMBLY**

**QUESTION No. 435-2020**

**FOR WRITTE REPLY**

**INTERNAL QUESTION PAPER NO.4-2021, DATE OF PUBLICATION 26 FEBRUARY 2021:**

**“Mr B S Madlingozi (EFF) to ask the Minister of Sport, Arts and Culture:**

Whether, in view of the sit-in by two South African artists at the Southern African Music Rights Organisation (SAMRO) on 19 and 20 February 2021 to highlight the alleged thievery and mismanagement of the money of especially black South African musicians by unscrupulous collecting societies, his department has taken any steps to deal with the alleged theft of monies belonging to artists by SAMRO; if not, why not, if so, what are the relevant details? **NW490E**

**REPLY**

1. The issue of mismanagement of royalties by collecting societies has been in the public domain for quite some time and recommendations were made for government to enact strong legislations that will compel all societies to properly account to their members and to government. The current situation is that only needle-time collecting societies are required to account not only to their members but also to the Companies & Intellectual Property Commission (CIPC) on how they distribute royalties collected. Unfortunately, SAMRO does form part of these collecting societies, as it does not collect for needle time. The current process of amending the Copyright Act is aimed at, inter alia, providing a comprehensive approach towards addressing these issues. As a matter of facts, the proposed pieces of legislation (Copyright reformed legislation makes provision that all collecting societies are legally obliged to properly account to both their members and to the CIPC. We believe that the once the Bills which are currently in Parliament for further review are enacted, the situation will surely improve.

While the above process is unfolding, it is possible for members of the collecting societies to use other avenues such as the provisions that are in the Companies Act of 2008 to ensure that the Directors of these companies are held accountable for proper management of the company. Based on the provision of the Act, members can also submit their complaints to the CIPC on matters relating any alleged breach of fiduciary duties.

Despite all this, and noting the obligation that we have as a Department which demands that we protect our artists, the office of the DG has met with the management of all the collecting societies on 2 March 2021, this include SAMRO. There are a number of issues that were discussed, including the increase and usage of modern technology to management royalty collection and distribution; frequent distributions of royalties to ensure that artists access their income as soon as possible; commitment on the tracking and tracing system for unclaimed royalties - using various media platforms to reach out to those whom their royalties remained unclaimed. Of great importance, we have also agreed on the development and creation of government and corporate partnership programs to educate artists and the heirs about their works as managed by these collecting societies, this having noted that most of the artists are not aware of who exactly collects for what in all applicable musical rights. The actual plans surrounding the partnership programs will be unveiled as soon as the details become available.