

## **General Questions**

### **1. Why are MinLaw and IPOS introducing new regulations to govern CMOs?**

The Copyright Act 2021 introduced a light-touch regulatory regime for CMOs as the result of a broader review of Singapore's copyright regime. The intent is to better meet the needs of creators and users of copyright works in the digital age.

The new regulations introduced today set out the details of this regulatory regime, including the class licence conditions that CMOs must comply with. The new regulations take in the feedback received from stakeholders, and aim to promote greater market efficiency, transparency, accountability and good governance in collective rights management without unnecessarily increasing compliance efforts and costs.

#### **1A. When do the new regulations take effect?**

1 May 2024.

### **2. What are the class licence conditions that CMOs must comply with?**

CMOs must comply with all licence conditions in Part 3 of the Copyright (Collective Management Organisations) Regulations 2023.

### **3. What should I do if I think a CMO has breached a licence condition?**

If you think that the CMO has breached a licence condition, approach the CMO to try and resolve the matter. The regulations provide a mechanism for CMOs to deal with disputes with members and users under its dispute resolution policy. If this is unsuccessful, you may file a request to IPOS to investigate the alleged breach.

## **For Members**

### **4. How will the regulations help to provide transparency before I sign up as a member with the CMO?**

The regulations require CMOs to set up a public website where they must publish information and documents such as its membership application process, membership fees, application forms, application timelines, and its internal policies. These are meant to help potential members to make an informed decision before joining the CMO.

In addition, before a potential member enters into an arrangement with a CMO for the member's portfolio to be managed exclusively by the CMO, the CMO must explain in writing to the member that the member has the option of entering into a membership agreement that is non-exclusive but otherwise on the same terms, and the consequences of entering into an exclusive membership agreement with the CMO.

### **5. Am I allowed to choose between being an exclusive member and non-exclusive member of a CMO?**

Yes. CMOs must give potential members this choice before they become members. For existing members, CMOs must give them an unconditional right to vary the rights they have granted to their

CMOs, including from an exclusive to a non-exclusive basis (or vice versa), subject only to a notice requirement.

#### **6. How will the regulations help me as a member manage my affairs with my CMO?**

The regulations require CMOs to incorporate the following set of policies in every membership agreement: a membership policy, a distribution policy, and a dispute resolution policy. In addition, the CMO must provide in your membership agreement, clear information on the works and performances that you mandate the CMO to manage, the rights that the CMO exercises over them as well as the process by which you can terminate your grant of rights to the CMO. This information provides clarity to both you and the CMO on how to manage your relationship with the CMO.

#### **7. Will I have any rights regarding the CMO's operations?**

Yes. The regulations require CMOs to obtain members' approval before making any change to its internal policies. CMOs must also call for a general meeting at least once every financial year, where members can attend and vote. In addition, members are allowed to call for a general meeting, subject to the CMO's conditions, and have a say in matters such as the appointment or removal of directors on the CMO's board.

#### **8. How will CMOs distribute the licensing revenue (tariffs) among the members?**

The regulations require each CMO to create and comply with a distribution policy, which must set out matters such as the method to calculate tariffs, the frequency of tariff distributions, and the way in which the CMO deals with collected tariffs that it is unable to distribute. A CMO must generally distribute a tariff within 6 months after the financial year in which it collected that tariff (unless the distribution policy provides for a longer period). The CMO must also provide usage information about the member's portfolio when distributing tariffs to them, so that the member can understand the tariff distribution they receive.

#### **9. Can I ask for more information about how the distribution was calculated?**

Yes. The regulations require CMOs to provide members an opportunity to request information about how the tariff distributed to them was calculated and to raise any dispute on the amount that should have been distributed.

### **For Users**

#### **10. How will I know what works and performances are being managed by the CMO before I sign a licensing agreement with them?**

The regulations require CMOs to set up a public website where they must publish key documents and information to help potential users make informed decisions before transacting with a CMO. Generally, CMOs must publish a detailed list of all the works and performances that they manage, as well as a list of all its representation agreements with partner CMOs. However, CMOs may choose to publish less detailed information that does not list every work and performance. In this case, CMOs must provide a contractual indemnity to their users to protect them from legal liability so long as they use works that appear to be within the scope of their licensing agreements based on the information published by the CMO.

The information published by CMOs must be updated at least once every 3 months. At any time, potential users who are unsure if a particular work or performance is in a CMO's portfolio may request

confirmation or proof from the CMO. The regulations require CMOs to respond to such requests in a timely manner.

### **For CMOs**

#### **11. Who is considered a CMO?**

CMOs are entities in the business of collectively managing the use of works and/or performances for the collective benefit of different rightsholders such as authors and publishers. There are classes of excluded persons exempted from the licensing scheme, and you may refer to regulation 3 of the Copyright (Collective Management Organisations) Regulations 2023 for more details.

#### **12. Do the regulations control the fees set by CMOs?**

No. CMOs are free to set their own fees and other terms of their tariff schemes. Any disagreement between CMOs and users on a CMO's tariff schemes may be referred to the Copyright Tribunals.

#### **13. How much flexibility do we have to operate a collective management business once the regulatory regime comes into effect?**

The class licensing scheme establishes minimum standards of efficiency, transparency, accountability and good governance, and only regulates critical areas. CMOs are free to make their own policies, as long as they are not inconsistent with the class licence conditions. Certain licence conditions also give CMOs flexibility in compliance, such as allowing CMOs to deviate from prescribed standards so long as they obtain approval from their members to do so, or imposing only minimum and maximum limits within which CMOs remain free to operate.

#### **14. How long do we have to make the necessary changes and adjustments?**

CMOs must comply with the class licensing conditions from 1 May 2024 onwards. CMOs are expected to use this time to develop and implement all the necessary policies, procedures, structural and operational changes.