

MPA/PRS Member Update: Key points

8 August 2018

This update is provided for the purposes of briefing members only and is not to be used for any other purpose. This update contains confidential and commercially sensitive information which is not to be shared or disclosed beyond the original recipient.

Distribution update

Rachael Naylor, Director of Distribution and Operations

- We have completed our root cause analysis of the April distribution and our assurance plan for the July distribution, which resulted in much more accurate distribution payments
- We are currently working on an end-to-end distribution assurance plan, review and optimisation
- The issues we identified during April and some more historic errors have been mitigated by new processes introduced and we will continue to seek to improve distribution
- We are implementing more layers of assurance, including more control checks, further finance approval and more reviews
- For the July distribution, we introduced a number of new analytical review points into the process and created new insight tools to allow us to identify and investigate any areas of risk

Anti-piracy update

Sharan Ghuman, Anti-Piracy Unit Manager

Stream-ripping piracy

- 17 stream-ripping download sites have completely shut down following the use of MAPS
- Our collaborative partnership with the City of London Police IP Crime Unit (PIPCU) is assisting in the disruption of stream-ripping services
- 75% of stream-ripping apps we've reported to Apple have either been removed or had their ripping functionality disabled
- Soundcloud is disrupting services which are abusing its API usage, both proactively and in collaboration with us

Copyright update

James Way, Senior Product Owner – Data Policy, ICE Services

- First release of Project Cube was delivered at the end of July to ICE
- ICE is testing the product and completing requirements for the next software releases in October and December
- Go live of new copyright system is planned for Q1 2019
- Data Policy alignment continues with ICE customer societies to ensure adoption of policy (inc. common Counterclaims Policy) ready for go-live
- ICE will meet with customer societies and publishers from September onwards to introduce the changes and validate the design ready for go-live

Digital Transformation update

Tim Arber, Head of Membership Support

- The launch of our Identity Access Management (IAM) tool has been delayed to allow additional testing and assurance work – launch planned for Q1 next year
- This will delay the full release of Online Statements, as this product is dependent on IAM to enable access for members – it will launch soon after IAM
- Development on Online Statements itself is progressing well – we will release a BETA product through our current log in system in Q4 this year

International update

Liam Donnelly, Head of International

Greece

- Is an evolving situation
- Likely to be two competing CMOs: AUTODIA and Government supported EYED
- We have provided a limited mandate to AUTODIA for General Licensing on a trial basis and may add further rights over time subject to performance
- In the interim we plan to license broadcast and major live concert rights directly

Spain

- Difficult situation at SGAE

Confidential and commercially sensitive

- Publishers have been expelled from the Board and others are planning to withdraw their rights from January 2019
- In May, SGAE's executive unilaterally revised weighting for overnight music to 20% from 15%, overturning the outcome of the 2017 WIPO arbitration
- Separately, the CISAC investigation into SGAE has largely confirmed issues highlighted by ICMP
- There is pressure from CISAC on SGAE to implement reforms before the end of the year. Failure to do so could result in CISAC applying sanctions

USA

- The Music Modernisation Bill has been making good progress through the House of Representatives and Senate
- However, there is some uncertainty whether Blackstone (owners of SESAC/HFA) intervention will derail the Bill
- The Senate vote is expected before October

PRS International Income performance

- There has been a strong income growth from most regions/sources so far in 2018, however, the strength of sterling has tempered receipts
- Drivers are primarily Online, TV and Live