

MEDIA RELEASE

14 November 2012

CCS CONSULTS ON THE DIGITAL MEMORANDUM OF UNDERSTANDING BETWEEN THE MUSIC PUBLISHERS (S) LTD, THE COMPOSER AND AUTHORS SOCIETY OF SINGAPORE LTD AND 12 MUSIC PUBLISHERS

1. The Competition Commission of Singapore (“CCS”) is seeking feedback on a Digital Memorandum of Understanding (“Digital MOU”) signed between the Music Publishers (S) Ltd (“MPS”), the Composer and Authors Society of Singapore Ltd (“COMPASS”) and 12 music publishers¹.
2. CCS received an application for guidance (“Application”) on 30 August 2012 from MPS with regard to the Digital MOU. The Application is made in relation to Section 34 of the Competition Act (“the Act”) which prohibits agreements between undertakings, decisions by associations of undertakings or concerted practices, which have as their object or effect the prevention, restriction or distortion of competition within Singapore.
3. The Digital MOU is an agreement between MPS, the 12 music publishers and COMPASS to jointly offer their rights in musical works. MPS will administer (on behalf of the 12 music publishers and COMPASS) a joint licence pursuant to the Digital MOU. MPS claims that the Digital MOU will reduce administrative costs and allow digital licensees easy access to a large number of musical works.
4. CCS understands from the Application that the 12 music publishers and COMPASS currently license out their rights separately. Therefore, a digital licensee who wishes to distribute music online currently will need to obtain a licence for the mechanical rights from the music publishers via MPS² and a licence for the public performance rights from COMPASS³.
5. The single joint license will coexist with the licences currently being offered by the music publishers and COMPASS separately.

¹ Please refer to Annex A for a complete listing of parties to the Digital MOU.

² MPS represents an association of music publishers who license out the mechanical rights in a substantial body of musical works. The mechanical rights are necessary in order to offer for download copies of the musical work.

³ COMPASS licenses out the public performance rights in a substantial body of musical works, and the mechanical rights in a small number of musical works. The public performance rights are necessary to stream the musical work online.

6. MPS also claims that the Digital MOU is entitled to benefit from the “Net Economic Benefit” exclusion under the Act. Paragraph 9 of the Third Schedule of the Act provides that the Section 34 prohibition shall not apply to agreements with net economic benefit. Such agreements are those that improve production or distribution, or promote technical or economic progress, and in which restrictions are absolutely necessary to achieving these benefits and do not substantially eliminate competition.⁴

Public Feedback

7. CCS is inviting all feedback and views in relation to the Application and the Digital MOU. It would be useful if you can provide comments particularly in relation to the following:

- a. The current state of competition in the licensing of musical rights to digital licensees;
- b. Impact of the Digital MOU on competition in the licensing of musical rights to digital licensees; and
- c. Any benefits as a result of the Digital MOU which may improve production or distribution, or promote technical or economic progress.

8. The consultation documents can be accessed and downloaded from the CCS website at www.ccs.gov.sg under the section “Public Register and Consultation”. The closing date for submissions is on or before 29 November 2012. If the submission/correspondence contains confidential information, please also provide CCS with a non-confidential version of the submission or correspondence.

⁴ For more information, please refer to the Competition Act or the CCS guidelines: http://www.ccs.gov.sg/content/dam/ccs/PDFs/CCSGuidelines/S34_Jul07FINAL.pdf



For media clarifications, please contact:

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About The Competition Commission of Singapore (CCS)

CCS is a statutory board established under the Competition Act (Chapter 50B) on 1 January 2005 to administer and enforce the Act. It comes under the purview of the Ministry of Trade and Industry. The Act empowers CCS to investigate alleged anti-competitive activities, determine if such activities infringe the Act and impose suitable remedies, directions and financial penalties.

For more information, please visit www.ccs.gov.sg.

The 14 parties to the Digital MOU are as follows:

- MPS;
- COMPASS;
- EMI Music Publishing Group Singapore Pte Ltd;
- Forward Music Publisher Pte Ltd;
- HIM International Music Pte Ltd;
- Life Music Publishing Pte Ltd;
- Music & Melody Pte Limited;
- Peermusic Pacific Pte Ltd;
- Rock Music Publishing (S) Pte Ltd;
- Sony Music Publishing (Pte) Ltd;
- Touch Music Publishing Pte Ltd;
- Universal Music Publishing Pte Ltd;
- Universal Music Publishing MGB Singapore Pte Ltd; and
- Warner/Chappell Music Singapore Pte Ltd