



Julia Lopez MP
Department for Culture, Media and Sport
100 Parliament Street
London SW1A 2BQ

Viscount Camrose
Department for Science, Innovation & Technology
100 Parliament Street
London SW1A 2BQ

Dame Caroline Dinenage MP Chair, Culture, Media and Sport Select Committee House of Commons London

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## Dear Caroline,

Further to our letter of 30 January announcing the UK Voluntary Code of Good Practice on Transparency in Music Streaming, we are writing to update you, as Chair of the Culture, Media and Sport Select Committee, on other elements of the government's work on music streaming.

In our letter to you of 23 May 2023, we shared our intention to take forward the Committee's recommendation to establish an industry working group to explore and consider industry-led actions on remuneration for existing and future creators, acknowledging recent progress by music companies in this space.

The government has worked closely with industry to develop the membership and terms of reference for the creator remuneration working group. Please find both the terms of reference and the group's membership attached to this letter. We intend to publish them on Gov.uk imminently.

The first working group meeting will be held in the coming weeks. Our goal for this working group is to help the music industry to find common ground on the issue of creator remuneration and to support our thriving sector to flourish and continue its success story at home and on the global stage.

We know that, for the group's discussions to be fruitful, they must have access to and take account of the fullest range of evidence on remuneration issues. To that end, we are pleased to note that the independent research commissioned by the Intellectual Property Office on equitable remuneration, which explores the impacts of providing performers a legal right to equitable remuneration when their music is used for on-demand streaming, will be published alongside the terms of reference and membership of the group.

This research, which has been reviewed extensively by industry experts and independent academics, finds that introducing a legal right to equitable remuneration is not a low cost or low risk fix to creator concerns. Its findings suggest that applying the so-called 'broadcast model' of equitable remuneration to music streaming is likely to be extremely disruptive for the music industry with a high likelihood of damaging unintended consequences. That could include reduced investment in new artists and a reduction in choice for artists in how they negotiate with record labels. These risks have been acknowledged by many in the industry, including labels and artists.

In light of the risks it presents, the government does not intend to apply the 'broadcast model' of equitable remuneration to on-demand streaming.



Instead, the findings lend weight to the view that the best way to address creator concerns is through dialogue among industry and, where appropriate, industry-led actions. We will update you as the group makes progress in this regard.

We would also like to update you on our progress on metadata in the music streaming sector. In our letter of 23 May, we announced that industry had reached a voluntary agreement to progressively improve metadata in new recordings and deliver consistent crediting on streaming services over a two-year period. The UK Industry Agreement on Music Streaming Metadata is now being implemented and work is underway in the education and technical solutions expert working groups formed under the agreement. The membership of the technical solutions group has been published, together with an update on the metadata Key Performance Indicator project, for which a wide and representative range of stakeholders from across the music industry have been interviewed. We hope to provide a further update on this project and on the work of the education group in due course. The outputs of these groups should lead to real improvements to crediting on streaming services and to the accuracy and timeliness of payments from streaming for songwriters.

We will continue to keep you updated as this programme of work continues.

With best wishes,

Julia Lopez MP

Minister for Media, Tourism and Creative Industries

Viscount Camrose

Parliamentary Under Secretary of State at the Department for Science, Innovation & Technology

