

New partnership to improve collection of musicians' dues

BY VICTOR JUMA

Musicians will soon earn more royalties following the signing of an MoU between industry stakeholders.

The agreement between the Music Copyright Society of Kenya (MCSK) and the Pubs & Restaurants Association of Kenya (PERAK) will see royalties from music performed in the leisure spots collected by PERAK and remitted to MCSK.

The move will see MCSK's cost of collecting royalties cut by up to 30 per cent while boosting compliance by entertainment facilities.

"This agreement will save us a lot of money that we spend on the logistics of collecting royalties from all over the country. We will tap into PERAK's network and be left with a lean, efficient structure," Mr Maurice Okoth, the

general manager of MCSK said. The partnership is set to improve relations between the two parties, which have so far been antagonistic.

"We see this as a win-win situation. We will strengthen their collections and also get value from the process," Mr Thuo Kimani, the vice chair PERAK said.

Under the agreement, PERAK will earn 20 per cent of all royalties collected from music performed in leisure spots. MCSK will keep 10 per cent while the remaining 70 per cent will go to the artistes.

The two parties were upbeat that compliance would increase self-regulation. "In this new relationship, members of PERAK will make monthly music logs which will increase accuracy of computing royalties owed," said Mr Sam Ikwaye, the CEO of PERAK. The

deal will eliminate a skewed payment regime that has been in use so far. The total royalty pie has been dished out equally among artistes despite the disparity in the frequency of performances by different artistes. This has seen some musicians, whose songs are rarely performed, ride on the back of their more popular peers.

Background music

In the past, the cost of administration and collection of royalties by MCSK has been high, leading to artistes earning fluctuating percentages of total royalties, capped at 50 per cent.

"Since we will be earning 10 per cent on every royalty model—from radio, television, matatus, mobile ring tones, and restaurants and pubs—the total income will be enough for MCSK," said Mr Okoth. He added that artistes would

now pocket 70 per cent of royalties. In the last fiscal year, MCSK collected Sh100 million in royalties, out of which about Sh80 million came from public performances in pubs, hotels, and restaurants. Royalties are charged based on a number of factors including the importance of music to the business establishment, its seating capacity, and how the music is used.

Discotheques, whose business model depends heavily on playing feature music, for example, pays higher royalties compared to a restaurant that plays background music to entertain its patrons. Carnivore is reported to pay up to Sh600,000 in royalties per month.

Other high payers include hotels like Hilton that pays about Sh500,000 monthly royalties. Of late, MCSK has improved the royalty collection pro-

cess from public performances, a move that has resulted in almost total compliance. MCSK has agreements with similar bodies in other countries and each protects registered music and collects royalties on behalf of the other in its area of jurisdiction.

In a bid to replicate the agreement it has with PERAK, MCSK is in talks with the Matatu Owners Association (MOA) to have the body self-regulate and remit royalties from music played in PSVs.

Analysts say that the royalty model has been relatively successful in the push for respect of intellectual property, as far as music is concerned. The other regulatory side under the Kenya Copyright Board, charged with curbing music piracy through eliminating the sale of pirated CDs and DVDs, has had minimal success.