

IP & TMT Update

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One Collection Agency to Rule Them All — Postponed?

Last December, the Ministry of Domestic Trade, Cooperative and Consumerism issued a press release^[1] stating that the collection of royalties for commercial uses of copyrighted music was to be done by a single licensing body called Music Rights Malaysia Berhad. It was announced that effective 1 January 2017, Music Rights Malaysia would be collecting royalties on behalf of the four existing licensing bodies, namely, Music Author's Copyright Protection, Public Performance Malaysia, Recording Performers Malaysia and Performers Rights and Interest Society of Malaysia.

Licensing bodies are authorised by statute^[2] to license copyrighted works on behalf of members who comprise various copyright owners. Due to factors such as the lack of government supervision and lack of coordination, their operations over the years have raised concerns over issues of transparency^[3] and overburdening regulation.^[4]

The incorporation of Music Rights Malaysia as a sole collection agency was therefore a streamlining initiative intended to rectify these issues. Under this new regime, Music Rights Malaysia would serve as the sole collection agency, while the present four licensing bodies focus on distributing the monies collected among their members.^[5]

However, it appears that Music Rights Malaysia has yet to obtain the proper authorisation^[6] to collect royalties on behalf of those four licensing bodies.^[7] In the circumstances, the collection of royalties for 2016/2017 remains under the purview of the present four licensing bodies. It remains to be seen if Music Rights Malaysia will be an improvement over its predecessors, as businesses increasingly demand to know what they are paying for, and where their money is going.

(Past articles are available on our [website](#)).

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^[1] <[facebook.com/ipmalaysia/photos/a.10150107472593673.280735.217646433672/10154571162828673/?type=3](https://www.facebook.com/ipmalaysia/photos/a.10150107472593673.280735.217646433672/10154571162828673/?type=3)>

^[2] Copyright Act 1987 [Act 332], Part IVA, and Copyright (Licensing Body) Regulations 2012

^[3] Joint Press Statement on Royalty Collections Issue by the Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM) (17 September 2014) <<http://www.accim.org.my/blog/topic/24/1/173/Joint+Press+Statement+on+Royalty+Collections+Issue>>

^[4] Good Regulatory Practice (GRP) E-Newsletter Issue 01/2017

^[5] Nadia Hamid, "MRM kutip semua royalti bermula 1 Januari 2017" (literally, "MRM to collect all royalties from 1 January 2017"), *BH Online* (8 December 2016) <<http://www.bharian.com.my/node/221809>>

^[6] Copyright Act 1987, s 27A(1)

^[7] [新公司申请执照不过关 征音乐版权费又展延](#) (literally, "Licence application by new company does not go through, collection of music copyright royalties postponed again")

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