



Department for  
Digital, Culture,  
Media & Sport



Department for  
Business, Energy  
& Industrial Strategy

Julian Knight MP  
Chair, DCMS Select Committee  
House of Commons  
London  
SW1A 0AA

18 May 2022  
MC2022/07097/DC

Dear Julian,

We are writing to update you, as Chair of the Digital, Culture, Media and Sport Select Committee, on the Government's music streaming work programme, launched following your Committee's inquiry into the subject. This letter sets out progress against the work being undertaken across government, and a forward look.

Your Committee's report of its inquiry identified important issues in the music streaming industry. As set out in the Government's response to it, while we agree that many of these warrant action, we want to ensure that this is based on the best available evidence. That is why we have sought to gather further information and involve industry closely in any solutions. Since this work commenced:

- The research commissioned by the Intellectual Property Office (IPO) on the impacts of three potential legislative interventions on creator remuneration (equitable remuneration, contractual adjustment mechanisms, and rights reversion) is well underway and due to report in September.
- The IPO has established working groups of industry experts, which continue to meet regularly as they develop solutions to issues around contract transparency and music metadata.
- The Centre for Data Ethics and Innovation (CDEI) within DCMS is undertaking research on the impacts of algorithms used for playlists on streaming platforms.
- Officials have begun to gather evidence on other issues, such as copyright liability for user-upload platforms and alternative payment distribution models for streaming (such as the user-centric model).

The independent Competition and Markets Authority (CMA) also launched a market study looking at competition issues in music streaming.

We have kept the music industry updated on the Government's work through meetings between their representatives and the Secretary of State for DCMS, and through a contact group of senior industry representatives chaired by the IPO. The membership of the contact group is set out in the annex to this letter.

We are encouraged by the progress so far, with industry stakeholders engaging constructively and taking the issues seriously. We have also already seen some voluntary action from industry, such as the decisions by the three major record labels, Sony Music, Warner Music Group and Universal Music, to disregard unrecouped advances in pre-2000 contracts, meaning that many legacy artists are being paid from streaming for the first time.

We were pleased to see that this move addresses the first recommendation of the DCMS Select Committee inquiry report.

There is also promising progress on metadata standards and a transparency code of practice. However, these are only initial steps, and we remain committed to seeking more comprehensive solutions. Ideally, this will be industry-led, but Ministers remain open to legislating if necessary.

Looking ahead towards the twelve-month point for this work (autumn 2022), we aim to publish a number of outputs, including:

- Final research reports on equitable remuneration, contractual adjustment mechanisms, and rights reversion.
- Industry agreement on metadata – the problems, objectives, responsibilities, and commitments for further action by industry.
- A framework for a code of practice on transparency.

The CMA is scheduled to report on its market study by January 2023, which might inform further action later on. That report could also have implications for our approach to copyright liability for user-upload platforms, where it is likely that we will need to await the CMA's report before fully assessing potential action.

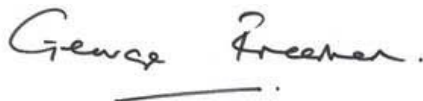
Depending on the outcomes of these workstreams, and further dialogue with stakeholders, we may consider further interventions, including legislation.

These are important issues, and we are grateful to your committee, and to music industry stakeholders, for bringing them to light. Rest assured that we are committed to addressing the issues facing music streaming.

Yours sincerely,



Julia Lopez MP  
Minister of State for Media, Data,  
and Digital Infrastructure, DCMS



George Freeman MP  
Minister for Science, Research and Innovation, BEIS

**Annex: Membership of the stakeholder groups**

**Contact group:**

Association of Independent Music – Paul Pacifico, CEO

British Phonographic Industry – Geoff Taylor, CEO

ERA – Kim Bayley, CEO

Featured Artists Coalition – David Martin, CEO

Ivors Academy – Tom Gray, Chair

Musicians Union – Horace Trubridge, Senior Executive Officer

Music Managers Forum – Annabella Coldrick, CEO

Music Publishers Association – Paul Clements, CEO

Phonographic Performance Limited – Peter Leathem, CEO

PRS for Music – John Mottram, Director of Communications and Public Affairs

UK Music – Tom Kiehl, Deputy CEO and Director of Public Affairs

The transparency and metadata technical working groups are composed of experts from across the music industry who were nominated by members of the contact group. Members attend the working groups in an individual capacity.