



October 23th, 2024

Authors and Performers' rights organisations urge Finnish Members of Parliament to reverse cuts to private copying compensation

The European and international organisations of authors and performers' collective management organisations in the audiovisual, music, literary and visual arts – AEPO-ARTIS, BIEM, CISAC, EVA, IFRRO, GESAC and the SAA – have joined forces to call on the Finnish Parliament to reverse the cut in private copying compensation.

These organisations express their grave concern on behalf of both Finnish authors, performers and the entire European/international community of authors and performers whose rights are represented in Finland by our Finnish member organisations.

A NEW STUDY HIGHLIGHTS THAT FINLAND'S DRASTIC CUT IN PRIVATE COPYING COMPENSATION IS UNREASONABLE.

The Finnish government's decision to halve the level of private copying compensation paid from the state budget - from €11 million to €5,5 million - cannot be justified. On the contrary, **a recent study shows that the actual damage caused by private copying in Finland is €46 million per year¹**. This further highlights the unreasonableness and lack of proportionality of the Finnish government's deplorable decision, which should be reversed.

Private copying compensation is a significant source of income for authors in the European Union and beyond. In 2022, it generated €368 million for CISAC societies worldwide.

The Directive 2001/29/EC ('InfoSoc Directive') and the Finnish Copyright Act make mandatory to provide compensation when introducing a private copying exception. **Thus, Finland has the obligation to organise and secure this fair compensation to authors and performers²**.

In Finland, an annual amount of €5,5 million to be split between authors, performers and producers in the audiovisual and music sectors **can in no way be considered as an adequate, sufficient or fair compensation** for private copying. Moreover, the decision to halve the funding was taken without sufficient evaluation.

A SPECIAL RAPPORTEUR APPOINTED BY THE FINNISH GOVERNMENT – INTERIM FUNDING MUST BE SECURED

We welcome the recent appointment by the Finnish government of a special rapporteur to examine the potential alternative mechanisms for the future private copying compensation, the level of compensation, and the way in which it is distributed and allocated to the rightholders.

¹ <https://luovat.org/ajankohtaista/private-copying-causes-a-loss-of-eur-46-million-in-finland/> (see page 1)

² Case C-462/09 Stichting de Thuiskopie v. Opus and Case C-467/08 Padawan v. SGAE

However, it must be emphasised that a sufficient level of remuneration – at least €11 million – **must be secured in the interim period**, before the special rapporteur’s proposals are published and a possible new system is put into practice.

THE CUT HAS DESTRUCTIVE CONSEQUENCES FOR THE ENTIRE FINNISH CREATIVE ECOSYSTEM

Failure to secure funding for the referred interim period, and in the long term, will severely damage the well-functioning cultural ecosystem that private copying remuneration has sustained for decades. The current Finnish ecosystem works most efficiently and produces results: new works of art, festivals, events and concerts.

This severe cut would seriously harm authors, performers and the Finnish cultural sector in two ways. **First, the amount of compensation received by individual authors and performers in the creative fields would suddenly be reduced by 50 %.**

Secondly, cultural promotion centres, such as the Foundation for Music Promotion (MES), the Promotion Centre for Audiovisual Culture (AVEK) and the Centre for the Promotion of Visual Art (VISEK), which are mostly funded by private copy compensation, would need to considerably reduce their support to events and the creation of new works. These promotion centres are the cornerstones of the Finnish cultural landscape fostering diversity and providing spaces for the creation of new works, cultural events, festivals and concerts. Reducing the resources of these centres will jeopardise their ability to support and maintain the diversity and viability of Finnish culture.

The effects of this cut on the cultural sector, which is still recovering from the COVID-19 pandemic, would be catastrophic throughout Finland, where culture significantly contributes to both the national and regional economy. Yearly, about 140 films and works of media art are financed with AVEK’s support, and events in 200 municipalities are financed with grants from MES. We are concerned that the Finnish government wants to make it even more difficult to create new jobs and generate growth in the creative industries.

THE CUT IN THE PRIVATE COPYING COMPENSATION MUST BE REVERSED AND THE SYSTEM UPDATED

We therefore call on the Finnish Members of Parliament to reconsider the destructive decision to halve the private copying compensation and to:

1. **Ensure that the level of private copying revenue is maintained** at least at a minimum of €11 million **during the interim period - before the special rapporteur’s work is finished and the new system is up and running in practice.**

The earlier compensation level needs to be maintained until the special rapporteurs’ full analysis and recommendations and subsequent implementation thereof are made, as there is neither evidence nor a legal basis to cut the existing amount into half. On the contrary, recent study shows that it would need to be increased significantly. Such an arbitrary decision would not only threaten an important source of income for creators and cultural sector but also put Finland in potential violation of EU law.

2. **Swiftly update the private copying system** to meet the standards set by the EU legislation and CJEU, and to accurately reflect the extent of copies being made and their evolving use, particularly in the digital environment, to ensure a sustainable and fair level of compensation for Finnish authors and performers.
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List of signatories

AEPO-ARTIS is a non-profit making organisation that represents 39 European performers' collective management organisations from 29 different countries. The number of performers (musicians, actors and dancers), from the audio and audiovisual sector, represented by AEPO-ARTIS member organisations is estimated at more than 650,000.

BIEM (Bureau International des Sociétés gérant les droits d'enregistrement et de reproduction mécanique) is an international organisation representing 60 mechanical rights societies in 56 countries.

CISAC (International Confederation of Societies of Authors and Composers) is the world's leading network of authors' societies. With 227 member societies in 116 countries, CISAC represents more than 5 million creators from all geographic areas and all artistic repertoires: music, audiovisual, drama, literature and visual arts.

EVA (European Visual Artists) represents the interests of authors' collective management societies for the visual arts. 32 societies are gathered under its roof as members or observers. They manage collectively authors' rights of close to 170 000 creators of works of fine art, illustration, photography, design, architecture and other visual works.

GESAC groups 32 European authors' societies (CMOs) and represents as such more than one million authors from various artistic fields, including music, audiovisual, visual, literary, and dramatic arts.

IFRRO (International Federation of Reproduction Rights Organisations), is an international, independent, not-for-profit organisation representing collective management organisations for text and image materials (known as Reproduction Rights Organisations, or RROs), authors and publishers in the field of text and image-based works. RROs administer reproduction and other relevant rights, including certain digital rights, on behalf of both publishers and authors, including visual artists. With over 150 members from over 80 countries, IFRRO plays a key role in the global copyright ecosystem.

SAA (The Society of Audiovisual Authors) is the umbrella association of European collective management organisations representing audiovisual authors. Its 34 members in 26 countries manage rights for over 167,000 film, television and multimedia European screenwriters and directors. The SAA supports audiovisual authors and promote cultural diversity through policies that enable the dissemination of audiovisual authors' works to the audience. CMOs' role is to give easy, legal access to those works and ensure authors are fairly paid to encourage further creativity for the benefit of society.

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