



KENYA COPYRIGHT BOARD



PRESS RELEASE

August 24, 2021

KENYA COPYRIGHT BOARD (KECOBO) DEREGISTERS KAMP, PRISK AND MCSK

The Board of Directors of the Kenya Copyright Board has taken a decision to deregister three music Collective Management Organisations (CMOs) namely, Kenya Association of Music Producers (KAMP), Performers Rights Society of Kenya (PRISK) and the Music Copyright Society of Kenya (MCSK). This decision was arrived at after the three CMOs failed to meet the stringent conditions stipulated in the provisional licenses set out by KECOBO Directors in April 2021.

The CMOs provisional licenses issued by KECOBO were to remain valid until May 30 subject to meeting the following conditions:

1. Holding an Annual General Meeting.
2. Allocating 70 % of revenue for royalty payment.
3. Engaging with Kenya Revenue Authority with a view to reaching a payment plan on tax arrears.
4. Demonstrating of evidence of marketing and promotion of the use of ICT collection system.
5. Uploading of repertoire to the system under KECOBO supervision.
6. Implementing the CMO policy in total.

By the time the Board was issuing these conditions, it noted that several conditions for the 2020 license period had not been achieved.

The Board set the conditions on the understanding that rights holders would be relying on the royalties collected by CMOs during the pandemic period.

The decision to deregister the CMOs follows show cause letters issued to the CMOs for non-compliance to the licensing conditions specifically breach of administrative cost limit and diversion of royalties into an undeclared account whose operations are not monitored by KECOBO. Several submissions were also received from rightsholder organisation in response to a public notice placed by KECOBO both in print and various social media platforms.

During its meeting held on August 11, 2021, the Board further took note of the recent distribution of royalties where the CMOs reportedly distributed Kshs. 41 million (35.9%) instead of Kshs.79 million (70%) out of Kshs.114 m collected at the end of July 2021 in defiance to the KECOBO license conditions. From reports of distribution from two entities received so far, PRISK allocated

a further Kshs. 4 million while KAMP made an allocation of Kshs. 1.2 million from their allocation of Kshs.10 million and Kshs. 8 million respectively to cater for administrative costs.

It should be noted that the distribution excludes money received and expensed in the other accounts out of KECOBO monitoring system.

The Board, being dissatisfied with the CMOs explanation in response to show cause letters, invoked the provisions of Section 46(9) to 46(12) of the Copyright Act to deregister KAMP, PRISK and MCSK. Following the revocation of licenses, collection of royalties has been suspended for a period of three (3) months or until further advised.

“The main issues flagged by the Board of Directors include the opening of a different account other than the KPM account authorised by KECOBO, having spent more than 65 percent of the finances on administration cost contrary to directives and not undertaking their role of engaging the public and raising awareness about the KPM system,” noted KECOBO Board Chair Mr. Mutuma Mathiu.

In the circumstances, the Board did not have any option other than to take the painful decisive action as provided by the Copyright Act.

“The collection of royalties by these organisations, therefore, stands suspended until further notice,” stated KECOBO’s Executive Director Edward Sigei.

The Board will in conjunction with relevant ministries shortly commence the process of seeking views on reforming the CMO legal structure to prevent recurrence of the misuse of funds by CMOs. This process will hopefully be completed in three (3) months.

Meanwhile the Board requests rights holders to be patient and await public consultation on this matter.

Issued by

Edward Sigei

Executive Director

Kenya Copyright Board (KECOBO)