



FEATURED ARTIST DECLARATION

Whilst artists are by definition at the very heart of the music industry, their works are often controlled by third parties. The artists receive only a small share of revenues created through the value chain, and sometimes they receive nothing. Moreover, in some areas of the exploitation of their works, the artists have little or no influence.

Artists wanting to understand the value of their works face a wall of non-disclosure agreements, and incomprehensible revenue statements. To make matters worse, significant value from the deals done between major labels and platforms has been specifically designed to divert revenues to the corporations, without the legal obligation to share the benefits with the artists on whose catalogues that value has been created.

IAO believes passionately in the value of music. Music is fundamental to regional and global culture. It enriches people's lives, documents our time and heritage, and contributes significantly to our economies.

IAO is established to give the featured artists a collective voice to lobby both for fair and balanced rights, and also for a fair share of all value stemming from the artists' works. IAO is the only truly legitimate international voice for artists.

IAO strives for a fair, balanced and developing global music sector, respecting national and regional diversity, providing for a richer and growing creative community by promoting diversity of culture between the genres.

IAO promotes artist representations in any rights organisation or entity making decisions concerning artists' rights and revenues, and encourages authorities to always include genuine representation of artists in any working groups, committees or similar bodies.

IAO encourages cooperation between its members, supporting and supplementing their actions, providing cultural exchange as well as regional knowledge and expertise.

IAO wants to foster innovation and push the uptake of new and exciting services and allow opportunities for communication and creativity.

IAO acts in favour of a modernised legislative framework for the music sector to rebalance the market and empower the artists for the digital age.

IAO have especially identified the following issues of concern (in no particular order):

1. Fair remuneration throughout the value chain

IAO believes it is essential that artists shall receive a fair share of all value generated by their works and brands throughout the value chain. This includes collective exploitation, breakage, equity, settlements, compensations and other non-attributable payments from distribution platforms or from parties otherwise exploiting their works.

2. End the value gaps

IAO believes that platforms allowing users to upload content have to take full responsibility for the works uploaded by its users. The value gap distorts the market place and undermines the rights and revenues of creators and investors in music. User upload services are misusing “safe harbor” exemptions, resulting in corporations distributing and monetizing artists’ works without the artists’ permission and often without payment to the right holders. The situation is not only threatening the viability of today’s artists, but is also a significant obstacle for the next generations of creators.

IAO believes there is an urgent need to fix the value hack, also known as the second value gap, which exists between producers and artists. Some producers are in a position to negotiate favorable terms to their own advantage at the expense of royalties payable to artists. Non-attributable revenues, such as shares of equity, breakage, settlements and legal compensations are often not accounted to the artists. Artists should be entitled to a fair share of all value generated from their works.

3. Fair distribution models

IAO believes fair distribution models in accordance with the consumer’s choices are essential to ensure a fair market place, cultural diversity and growth.

IAO believes the individual consumer’s payments should benefit the recordings the consumer actually is playing.

4. Efficient, correct, comprehensive and modernised accounting

IAO believes it is time for the music industry to put fast and efficient royalty accounting procedures and payments into practice. We need to ensure that labels, distributors and other parties exploiting the artists’ works shall account and pay

royalties without unnecessary delay. New technologies have to be put to good use in order to implement more modern, transparent and efficient accounting systems worldwide.

Payments to the artists shall not be reduced by unjustified technical deductions or internal withholding procedures and transactions. Double dipping, i.e. two parties getting paid for the activity of one, or a party charging twice for one activity, should be avoided throughout the music industry.

Labels and other rights users should be obliged to inform the artists and other relevant right holders of any exploitation of their works, also including any compensation, settlement or agreement that does not identify individual exploitation.

5. Full transparency throughout the value chain without unreasonable terms of non-disclosure

IAO believes that only full transparency throughout the value chain will enable the artists to understand the value and extension of the exploitation of their works and allow them to control their royalty accountings.

6. Accurate registration of credits and global database

IAO believes the artists should be credited for their work with every single exploitation, especially online, and supports the elaboration of a global universally accessible data base.

7. A Duty of Care from artists' intermediaries through the value chain

IAO believes intermediaries exploiting the artist's work should be obliged to act in accordance with a duty of care in order to secure fair and balanced conditions, in the mutual interests of both parties. One-sided agreements disregarding artists' rights and equitable remuneration, e.g. by way of non-attributable advances or equity allocated to labels in exchange for a lower 'per stream' rate, should be obliterated.

8. A balanced and vibrant live market

IAO believes in a balanced and healthy live market with a code of good practices and fair commission rates between artists and agents, promoters and venues, as well as fair commission rates for the sale of merchandise. IAO also believes ending taxes in connection with touring, which vary over different countries, will support cultural diversity. IAO believes in ending age restrictions and promoting music for all ages, allowing anyone to enjoy music.

9. Fair competition and improved balance of negotiation positions

IAO believes it is important to improve the negotiation position of artists in relation to their partners in the music industry, in order for parties to negotiate as equals. IAO believes the music sector needs fairer competition rules to avoid dominant market positions and unfair competition advantages. As in any other industry, companies should not be allowed to use dominant market positions to further strengthen their positions by ensuring unfair competition advantages. Access to playlists and favourable royalty calculations for some catalogues only, as well as major international promoters forcing control over music festivals are amongst the biggest issues. Fair terms for the use and exploitation of music by distribution platforms, as well as a healthy and diverse live scene need to be secured. IAO also believes that balanced competition between major and independent companies and business relations is necessary to ensure artistic and cultural diversity.

10. Effective and affordable rights enforcement

IAO regrets it is often very difficult for artists to take legal action towards their powerful counterparts. IAO supports the implementation of cost-efficient dispute resolving mechanisms.

11. Obtain and spread knowledge

IAO aims to strengthen the artist's position in the music industry by increasing knowledge both locally and globally, and by encouraging collaborations and interactions between artists' organisations and other representatives of the music sector.

IAO believes in promoting the diversity of cultural expression by enabling the smallest and less popular repertoires to access the market and by providing social, cultural and educational services for the benefit of the right holders and information to the public.

12. Facilitate for DIY artists

IAO supports a closer connection between artists and fans without unnecessary intermediaries resulting in leaking revenues or giving away control to third parties.

IAO will seek to facilitate for DIY artists to have better possibilities and conditions to release their own material and set up own live events with regard to practical and financial aspects. IAO will address identified legislative challenges which might limit the artists' opportunities to self-release.

13. Cooperations with other organisations

IAO acknowledges the importance of strong, efficient and transparent collective management societies. IAO will help distinguish which rights and revenues should be better administrated on a collective basis.

IAO will collaborate to reinforce and protect intellectual property.

IAO encourages its members to participate in the boards where decisions are taken on behalf of artists.

14. Social programs

IAO will work in improving social protection programs for young and veteran artists. IAO believes there should be efficient medical insurance- and pension programs in place for performing artists.

IAO believes it is important to recognise artists' mental well-being, to communicate the likely challenges they face and strive for improved support and professional help in the field of mental health.

15. Facilitate and work towards a healthy music sector, and the development of cultural and social diversity.

IAO supports diversity. All repertoires, with no distinction of genre, style or degree of popularity, should have equal access to the market.

IAO believes artists should be represented in all legislative discussions regarding exploitation and monetisation of their works. Artists should have control, on an equal basis with other right holders, over any decisions regarding licenses of their rights administrated by producers' organisations or other non-artist organisations.

IAO believes in communication and collaboration and wishes to stimulate discussions within the music sector in view of modernising industry mechanics and structures, and establishing a viable and sustainable music industry for the long term.