

## OFT Press Notice

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### PERFORMING RIGHT SOCIETY IN MONOPOLY INVESTIGATION

Complaints by composers over royalty payments and other issues have led to an investigation by the Monopolies and Mergers Commission.

Sir Bryan Carsberg, Director General of Fair Trading, today referred the supply in the United Kingdom of services for the administration of performing rights in musical works to the MMC.

The Performing Right Society Ltd (PRS), an association of twenty-six thousand composers and arrangers of music and authors of lyrics, is the sole supplier of administration services for performing rights.

Enquiries by the Office were initially prompted by complaints made by composers of less popular forms of music that they were receiving inadequate royalty payments from PRS.

These composers also registered concern that, under the Society's rules, they lacked sufficient representation to be able to pursue their interests effectively and that the revenue distribution policies recently adopted by the Society unduly favoured composers and publishers of more popular forms of music.

The Office subsequently became aware of misgivings among the Society's members about the exclusive nature of their assignment of performing rights to PRS and the particular restrictions that apply for members who wish to leave.

Additionally, the Office's attention was drawn by representatives of the music industry and by licensees, to the proportion of expenditure devoted by the Society to administration and to claims of managerial inefficiency.

On making the reference the Director General commented: 'I have grounds for concern that the Society may not be operating in a fully efficient manner.

'Collective licensing bodies such as the PRS play an important role on behalf of their members, but the market power that they exercise in that role can be misused or misdirected.

'A number of serious questions have been raised about the operation of the PRS, and I believe the MMC is the appropriate body to investigate.'

The reference has been made under the monopoly provisions of the Fair Trading Act 1973. The MMC has 12 months to complete its investigation and report to the Secretary of State for Trade and Industry.

Any person or organisation wishing to offer evidence to the MMC should write to:

The Secretary (Performing Right)  
Monopolies and Mergers Commission  
New Court  
Carey Street  
London WC2A 2JT