



Music Copyright Society of Kenya Limited

NON-PROFITMAKING-NO SHARE CAPITAL-LIMITED BY GUARANTEE-AFFILIATED TO THE INTERNATIONAL CONFEDERATION COPYRIGHT SOCIETY - CISAC

Reg. C5/83

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STATEMENT BY THE MUSIC COPYRIGHT SOCIETY OF KENYA (MCSK) ON THE ONGOING ROYALTY DISTRIBUTION FOR QUARTER ONE OF 2024

The Music Copyright Society of Kenya is undertaking royalties distribution to its 16000 members in line with the law and MCSK distribution rules. The distribution which commenced on 25th January 2024 at an event held at the Safari Park hotel and attended by artists from across the regions runs until 29th of March 2024. The period and criteria for distribution was well stipulated in the public notice that was published in the national dailies on Friday 19th January 2024.

We posted the same on all our social media platforms way before the distribution commenced and have been updating our members on the process. The three months distribution period is meant to give our members sufficient time to update their music catalogues and other personal data such as bank accounts, mpesa numbers and KRA Pin.

Since the distribution started, we have received positive responses from our members who have been engaging us online and others on social media. Many artists have visited our offices to update their catalogues and are getting their dues in line with MCSK distribution rules.

It's imperative to note that the MCSK Royalties Distribution Notice published in the dailies on January 19th (way before the distribution began) was done after consultations with Cabinet Secretary in charge of Gender, The Arts, Culture and Heritage Hon. Aisha Jumwa, the Kenya Copyright Board and relevant stakeholders. The notice stated clearly that the monies available for distribution for Quarter One of 2024 was Twenty Million Kenya Shillings (Ksh20,000,000).

It must be stated that the information on the amount allocated for distribution was shared with MCSK members through the public notice and other platforms way before the distribution commenced and there was no objection or query on the amount and the criteria to be used.

Unlike in the past where members got monies through Mpesa and were denied the opportunity to ask any questions, this time round we invited our members to a physical event at Safari Park hotel on 25th January and shared the information with them. Again, there was no query on the amount declared for distribution nor the criteria used.

We are therefore disturbed to see documents circulating on social media questioning the amounts distributed and raising malicious and unfortunate allegations of misappropriation. How can anyone reach the conclusion of misappropriation on an ongoing process?

Out of the three CMOs licensed by the Kenya Copyright Board for collection and distribution of royalties only MCSK is distributing. Yet we use the same system imposed on us by the regulator and share the revenue proportionate to our membership. How come no one has an issue with the ones who have not distributed? Is it a crime for MCSK to have taken the decision to distribute?

Where did the Kenya Copyright Board get the amounts they claim to base on what he calls "70% rule?" Where is the 70% rule in the Copyright Act, in the regulation or Constitution?

It must be recalled that artists have been getting peanuts as royalties in the past. Many used to post the ridiculous figures on social media. This time round we have used both general and scientific distribution



DIRECTORS:

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methods and increased the royalties to our members by a huge percentage, strictly relying on log sheets from our licensed broadcasters and the amount of money available for distribution. Where is the other money KECOBO claims should have been distributed? Why were these figures not used to question the amounts we declared in the public notice on distribution before we started the process?

MCSK takes a very serious view of the wild allegations by KECOBO, which are clearly meant to incite unsuspecting members to think that they have been short- changed. The Board has instructed our lawyers to take up the matter and bring this deliberate misinformation to an end. We assure the culprits that we shall meet in court.

Let me take this opportunity to assure our members that MCSK shall serve them in line with the mandate they have given the Board through the Articles and Memorandums of Association and that we shall not succumb to pressure from corrupt cartels who want to divert attention as they continue to exploit gullible artists.

MCSK is on a rebound after years of being in the doldrums and the cartels are worried that the newly found vibrancy and optimism among artists is going to enlighten them about their rights to the detriment of those who have impoverished artists for years.

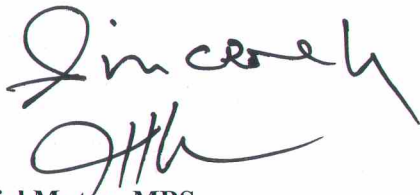
There's a lot of money from other revenue streams like Skiza Tunes, streaming services and concerts that would benefit artists if the Government provided proper policies for monetisation of content.

The work of Government is to provide a conducive environment for private companies like MCSK to thrive. The Government should not meddle with the internal affairs of a private entity.

From our accounts which have been corroborated by KECOBO, compliance was about 10% in 2023. It's the Government's business to enforce the law. We are appealing for police enforcement to deal with defaulters and collect over Ksh2B owed by different users of copyrighted musical works.

Lastly, we would like to state categorically that MCSK is NOT A PUBLIC ENTITY. It does not draw money from the exchequer. The Government does not fund production of the music by our members nor does it buy the music. Copyright is a private right. Our Directors and staff do not draw salaries from the Exchequer nor do we use public resources to conduct our business. We are a private company registered under the Companies Act as a Company Limited by guarantee. How does the Government come into our operations? Government licenses many private companies including broadcasters and other private entities like banks. Does that give it the power to meddle with the internal operations of these companies? What's the obsession with the music industry?

Signed:



Dr. Ezekiel Mutua, MBS

Chief Executive Officer

Dated: 22nd February 2024