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Subject:	Policy questionnaire on the Challenges facing Collective Management Organizations in the EU Member States - Presidency final summary of the Member States' and stakeholders' contributions

Delegations will find attached the final version of the Presidency summary of the contributions received from Member States and stakeholders in response to the Presidency policy questionnaire on the Challenges facing Collective Management Organizations in the EU Member States.

ANNEX

FINAL SUMMARY

of the Member States' and Stakeholders' contributions
to the Policy questionnaire on the Challenges facing
Collective Management Organizations in the EU Member States
Prepared by the Polish Presidency

Introduction

The impact of emerging technologies on the ecosystem of copyright and related rights is a subject of academic, legal, and policy debate, attracting numerous stakeholders, from artists and leading media outlets to high technology enterprises. A key concern lies in balancing interests and remuneration of rights holders with the goals of promoting innovations, maintaining global competitiveness and safeguarding freedom of expression.

In this context, the role of Collective Management Organizations ("CMOs") is becoming increasingly important, as licensing and remunerating rights holders are essential for the continued development of the copyright ecosystem.

The Polish Presidency, recognizing the need for an in-depth discussion in this context at the EU level, prepared the Policy questionnaire on the Challenges facing CMOs in the EU Member States.

The questionnaire was published and distributed to the Member States on 15th January 2025, inviting them to actively participate in the expert discussion, and, where possible, to share best practices in collaboration with their national CMOs. The document served as a basis for discussion at the Copyright Working Party meetings of 10th February and 8th of May 2025. The Member States were requested to provide written replies to the questionnaire by 15th of May 2025.

The Polish Presidency received written contributions from twenty-four Member States and from the Copyright Infrastructure Task Force (CITF). Many Member States included several replies from their national CMOs or other stakeholders in the contributions, or attached them as additional documents.

The aim of this document is to provide a summary of the written contributions collected by the Polish Presidency. The main findings are presented at the beginning of the document. They are followed by a detailed summary of the submitted answers to twenty-nine questions of the questionnaire. The list of surveys, studies or research cited by delegations and stakeholders is included in Annex I. Annex II incorporates the contribution of the Copyright Infrastructure Task Force.

The Polish Presidency hopes that this document will provide a meaningful contribution to any possible forthcoming policy discussions on understanding and responding to the new challenges of collective management in the evolving digital landscape and may inform future policy developments.

MAIN FINDINGS

I. Challenges of AI to the Collective Management Ecosystem in the EU

Collective management organizations across the EU are **progressively embracing AI-powered technologies**, mostly **to enhance the efficiency of their internal operations**. While the degree of technological advancement differs across the EU, **the use of AI services by CMOs is still far from widespread**. As to the **adoption of blockchain technologies, it remains extremely limited**. The overwhelming position regarding the use of blockchain technology is sceptical and justified by concerns regarding scalability, energy consumption, legal compatibility with dynamic nature of rights valuation and the general application of blockchain to the collective rights management model.

The **detection of AI content by CMOs is technically constrained**. The majority of CMOs do not use any dedicated mechanisms to verify whether a submitted work has been AI-assisted or AI-generated. According to most respondents, **no reliable technology in this regard is currently available**. Consequently, most CMOs **depend on declarations of rights holders** who are requested to confirm whether their work involves AI components. In general, **CMOs register AI-assisted works**, although with **diverse remuneration practices**. Some CMOs are considering or have introduced **remuneration proportional to human involvement**. Other organizations argue that remuneration and its distribution should not differ between AI-assisted and traditional works because the former also involve free and creative choices.

In addition, many CMOs view the **labelling or watermarking of AI-generated works** as a way to overcome the problem of detecting such content. Strong support for further steps in this respect can be observed, as a number of CMOs underline the importance of labelling and watermarking provisions in the EU AI Act[1] as crucial for transparency.

Furthermore, the submitted responses reveal that **licensing of protected works by CMOs for the purpose of AI-training remains rare in the EU**. Consequently, there is **no established framework for the valuation of creative content** used for such purpose. Most CMOs report that such licensing is scarce, not due to the lack of willingness or technical capacity on their part, but

[1] Regulation (EU) 2024/1689 of the European Parliament and of the Council of 13 June 2024 laying down harmonised rules on artificial intelligence and amending Regulations (EC) No 300/2008, (EU) No 167/2013, (EU) No 168/2013, (EU) 2018/858, (EU) 2018/1139 and (EU) 2019/2144 and Directives 2014/90/EU, (EU) 2016/797 and (EU) 2020/1828 (Artificial Intelligence Act) (Text with EEA relevance)

due to a combination of factors, mostly of legal or technical nature. According to the majority of respondents, **AI developers are reluctant to enter licensing negotiations**. Transparency emerges as a key issue, essential for a well-functioning licensing market, particularly in relation to rights management and the negotiations of remuneration. Therefore, a broad consensus can be observed on the **need to enhance transparency of AI providers** with regards to the datasets used for AI training. Furthermore, the majority of stakeholders **call for ensuring workable text and data mining (TDM) opt-out mechanisms** for rights holders. Numerous CMOs criticize, in particular, **the lack of standardization and legal clarity concerning forms and ways of expressing opt-outs**. Additionally, a number of respondents report **uncertainty regarding who holds the mandate to exercise opt-outs**.

Some CMOs are also in favour of **introducing extended collective licensing (ECL)** or a similar model to ensure that rights holders are remunerated for the use of their works in AI training and retain control over their rights through CMOs.

Most CMOs confirm that **the scale of repertoires** managed by CMOs, not only in terms of volume, but also diversity, **plays an important role in increasing their bargaining position with AI service providers**. However, they underline that the **licensing environment is much more complex**. There is, in particular, a broad consensus among CMOs that the main **AI developers possess substantial financial resources and market power**, which can weaken the negotiating position of even well-organized CMOs. Overall, submitted replies by CMOs and Member States show that licensing in the AI-context requires a balanced, or even nuanced approach, where CMOs play an indispensable, but not exclusive, role.

A number of respondents report that AI providers often use protected works without permission, *de facto* infringing the rights of authors and performers. CMOs take various steps to address such practices. Numerous organizations exchange information, monitor infringements and push for legal changes through national or international collaborations. Many **CMOs inform their members on the opt-out mechanism or exercise generalised opt-outs on their behalf,** although uncertainty persists if such opt-outs are recognized by AI providers. The common opinion is that without rules that force AI providers to respect those opt-outs and to be transparent, it is hard to enforce rights.

Regarding the **impact of AI on the CMOs' revenues, the majority of CMOs have not yet observed a clear drop in revenues,** but express widespread and growing concern regarding the potential negative economic impact of AI on copyright-based industries in the near future. Most

organizations **anticipate a significant decline in the coming years and disruptive economic impact of AI on creative sectors.**

CMOs across the EU identified **a wide spectrum of challenges arising from the proliferation of AI technologies.** The most frequently mentioned challenge is the **lack of transparency of AI providers, a challenge which** many CMOs **fear may not be solved with the implementation of the AI Act and they refer to the General-Purpose AI (GPAI) Code of Practice**. Furthermore, major concerns **revolve around the TDM exception** for AI training and **"workability" of opt-outs**. Another repeatedly raised concern is the **replacement of human creativity with AI-generated content**, perceived as an "existential **threat" to culture and artistic diversity**, and potentially leading to **job losses and income decreases** for some creative professionals. Several CMOs in some Member States raised concerns about the **potential risks in terms of personality and moral rights**. On enforcement, many respondents claim that efficient **enforcement mechanisms are lacking**. They call for **compensation for the AI training that took place before the transposition of the Copyright in the Digital Single Market (DSM) Directive** (Directive (EU) 2019/790). Furthermore, the introduction of a legal obligation for AI providers to **implement "unlearning" and to erase previously collected data** was frequently proposed. Some CMOs also highlight risks around **algorithmic bias** and the **increasing difficulty in distinguishing between human-made and AI-generated content**. Others underscore the broader social and political consequences of AI systems operating with minimal accountability, especially in relation to personal data protection, **media integrity, disinformation,** and the public's ability to discern reliable sources of information.

II. Collective Management Organizations and the Relationship with Online Platforms and Other Online Players

During the transposition of the DSM Directive, several Member States have introduced into their national laws some specific regulations to **facilitate the negotiations of agreements with online platforms and other online players** and to ensure **fair remuneration** for authors and performers. In general, a significant number of respondents consider that the DSM Directive has facilitated the negotiations between CMOs and online platforms while challenges remain. Most of the Member States and stakeholders reported that **alternative dispute resolution mechanisms** are not commonly used in this regard. Member States that have introduced specific provisions regarding mediation reported that those mechanisms are very rarely used because of their voluntary nature.

The respondents identified many challenges faced by CMOs in their relationships with online platforms and other online players. They refer to **the lack of transparency** on the online players' side, which makes it impossible to assess the real market value of content used by them and to determine fair remuneration. Another frequently mentioned challenge was the **asymmetry of powers in negotiations**, especially when CMOs represent smaller repertoires in contrast with big online players.

On the one hand, a general view emerging from the contributions was that **new technologies are forcing CMOs to design new operational and business model**. For example, as CMOs play a crucial role in supporting authors and performers to obtain fair remuneration in the music streaming market, they must modernize management and licensing process and adapt to new technological realities.

On the other hand, according to some respondents, new technologies could be beneficial to CMOs that use them to improve control over actual use of works and to make the collection and distribution of remuneration more efficient. Based on the responses to the questionnaire, many CMOs are open to use any type of technology or digital solutions which can **increase the efficiency of collective management of rights**. However, the experience of some CMOs shows that **blockchain technology** is not suitable for the purposes of collective rights management.

III. Supervision and Transparency of CMOs at the Forefront of Innovation

In most of the Member States, well established supervisory authorities and supervisory measures were already in place before the implementation of the Directive on collective management of copyright and related rights (CRM Directive). However, some Member States designated a particular authority with supervisory competences only after implementing the CRM Directive into their national legal framework. Member States listed various measures that they have taken at national level to monitor the CMOs' activities and ensure compliance with the CRM Directive. The list includes, among others: audits, inspection of business books and other documents, as well as attending the CMOs' annual general meetings.

With regards to the auditing of CMOs' activities, most of the Member States indicated that CMOs are subject to some forms of audit by the competent national supervisory authorities. However, only few of the Member States audit CMOs in the strict sense of the term. In most cases audits are carried out by the same authority responsible for the general supervision of CMOs. However, in several Member States audits of CMOs are carried out by specialised authorities.

While reviewing the CMOs' annual reports, supervisory authorities from different Member States encounter various challenges among which the most common are inconsistencies of data as well as late publication of specific information. **An inefficient distribution of remunerations to the entitled right holders is among the most frequently repeated instance of non-compliance with applicable legal provisions by CMOs.** To address this and other violations, Member States might use various measures provided for in their national legislation. Those measures usually include financial fines and a temporal or permanent revocation of the authorisation. However, it seems that supervisory authorities use those measures quite rarely and are able to ensure the compliance of CMOs' activities with appropriate legal provisions by using less strict measures, such as warnings.

Many Member States transposed Article 12 of the CRM Directive into their national laws directly, following the structure of the provision. **Several Member States have determined the maximum permitted percentage of operating cost in relation to the rights revenue. The percentage ranges from 15% to 20%.** With reference to deductions, for instance, it seems that smaller CMOs have higher operating costs than big CMOs. This may be caused, among other things, by the size of the managed repertoire and the ratio between the amount of necessary costs and amount of collected remuneration. Furthermore, it was underlined that newly authorized CMOs (new CMOs on the market) usually have higher operating costs than the ones that have been performing the activities of collective management of rights for a longer period of time.

In several Member States there are some advisory or supporting bodies e.g.: committees, commissions, and boards, which are responsible, among other things, for dispute resolution including mediation and arbitration, as well as for tariff setting. Those advisory bodies might also provide recommendations to the Minister.

Several Member States noted the need to enhance the transparency of the data disclosed by CMOs to the public, rights holders and supervisory authorities, while others were of the view that there is no need for imposing more transparency obligations on CMOs, as the existing rules are sufficient.

IV. Independent Management Entities (IMEs) – Old Question, New Paradigms?

The number of IMEs operating in the Member States varies from zero in several Member States up to seven in one Member State. IMEs operate mostly in the music market, however, there are also IMEs operating in the audiovisual market and some individual examples of IMEs representing other categories of rights.

In several Member States IMEs are subject to additional requirements which extend beyond the scope of the CRM Directive. Those requirements usually refer to the registration or notification of operating as an IME. In most cases, the supervision of IMEs is less strict than the one which applies to CMOs, therefore in this area respondents consider that IMEs are rather in a more favourable position that CMOs. On the other hand, there were also several examples of what respondents consider a privileged position of CMOs in comparison to IMEs. Those examples include legacy structures and state backing, a bigger repertoire of what is desirable by major users, such us radio stations and streaming platforms, areas where collective management by CMOs is mandatory.

With regard to the relationship between IMEs and generative AI, it is clear that, currently, **there are no IMEs offering specialized datasets for the training of AI models.** However, as one Member State noted, as AI policy evolves, there will likely be a growing pressure and opportunity for IMEs to adapt or for new entities with specialized infrastructure for AI-related rights management to emerge.

Detailed summary of the contributions

I. Challenges of AI to the Collective Management Ecosystem in the EU

Use of AI-powered technologies to assist the CMOs' daily functions

I.1. Do CMOs in your Member State utilize AI services or blockchain technologies? If so, for what purposes?

CMOs across the EU are increasingly embracing AI-powered technologies. Nevertheless, the use of AI services by CMOs is still far from widespread.

Numerous CMOs utilize both general and proprietary AI solutions. According to the respondents, AI services are used mostly to enhance the efficiency of their internal operations e.g. to support the rights management processes such as repertoire matching, identification of content used, including image recognition, search and analysis within their repertoires, optimising data processing and databases. AI technologies are also deployed in customer service (chat boxes, virtual assistants) and administrative tasks (drafting documents, automatic reminders).

The general observation based on the submitted responses is that the scope of AI-use remains rather narrow and designed to support routine functions, with a view to improving accuracy of data processing, cost-effectiveness and operational efficiency.

In some Member States, AI tools are utilized by CMOs marginally or experimentally. There are, however, also instances of more advanced uses of AI technologies, such as detection of pirated works, identification of AI-generated content in the registration process or "poisoning" works which makes them technically useless for AI-training. Some CMOs also develop AI models to assist with data extraction processes or create tools for identifying relationships between data (such as matching usage reports and copyright metadata). One CMO uses AI-powered coding tool in the development of its distribution platform. Another CMO reports the use of machine learning tools to improve fingerprint techniques provided by IT partners or to crawl the web and social media for event leads, which the organization can license. Other CMO developed and implemented a machine learning tool for word classification to match consumption data with its works database.

CMOs that do not use AI-powered technologies at all (usually from smaller countries) indicate most frequently infrastructure and budget barriers.

Some respondents underline that human oversight is still a necessary safety measure, especially in areas involving rights identification and distribution of royalties. There is also consensus on the lack of operational transparency of AI providers. Respondents express their concerns regarding the level of confidentiality of the information shared and the loss of control over the data provided to AI tools, in particular personal data.

A wide agreement can be seen on the need to distinguish conventional AI applications from Generative AI (GenAI) technologies. The latter are regarded by many CMOs as posing systemic risks to the creative ecosystem.

In contrast, blockchain technologies are generally perceived by CMOs to offer no clear benefits and their adoption remains extremely limited.

Only a handful of CMOs have undertaken initiatives involving blockchain, such as digital license renewals or timestamping functionality offered to their members. In case of the latter, members can upload and timestamp files of their choice in a safe, from which they can share the files in a secured, non-downloadable way. Some organizations are exploring blockchain technologies but prefer other solutions.

The overwhelming position across jurisdictions is sceptical and justified by concerns regarding scalability, energy consumption, legal compatibility with dynamic nature of rights valuation and the general application of blockchain to the collective rights management model. Blockchain technologies tend to be perceived as overrated and unlikely to deliver transformative value. As some CMOs put it: *"Blockchain has proven its useful contribution (…) within closed economic circuits where assets have a fixed value. However, collective management is anything, but a closed circuit and the value contributed to a work depends on (…) factors that blockchain systems are not able to take into account*." One CMO states clearly: *"We do not wish to undertake projects solely for the sake of the technology. Should we encounter a problem that is best solved using blockchain, we will certainly pursue that path, but we have not had the need so far."*

A cautious position was also shared, with one CMO noting that: *"with the advent of quantum computing, the use of blockchain technologies must be approached with reasonable caution, given the potential risks to classical blockchain security algorithms."*

To conclude, CMOs are interested in the development of innovative tools and willing to adopt them, as long as such tools remain legally and economically sustainable, comply with data

protection standards and do not challenge the author's control over their work. The degree of technological advancement differs significantly across the EU. Larger and better-resourced CMOs have made significant progress, while their counterparts in smaller Member States continue to report financial and infrastructural barriers.

In short, AI constitutes a promising path for strengthening administrative and operational capacities for CMOs, although its current applications remain rather limited and complementary to human oversight. Blockchain, by contrast, has not proven any clear benefits as major technological infrastructure for collective rights management.

Identification of AI-generated or AI-assisted output

I.2. Do CMOs in your Member State have mechanisms in place to determine whether a work submitted by a rights holder to the CMO has been AI-assisted or AI-generated? If such determination is positive, what consequences does it have, e.g. on remuneration calculation and its distribution?

The majority of responses reveal that detection of AI content by CMOs across the EU is technically constrained. Overwhelming number of CMOs do not use any dedicated mechanisms to verify whether a submitted work has been AI-assisted or AI-generated. According to most respondents, no reliable technology in this regard is currently available.

Exceptions are however reported, with a handful of CMOs using technology to detect AI-content or even developing solutions capable of detecting AI patterns. Some CMOs are exploring tools available on the market. Several specific names of technological solutions were expressly mentioned by stakeholders. No uniform or standardized mechanisms in this regard seem to exist. One Member State reports that *"none of the participating CMOs stated that they have a specific mechanism in place for this purpose, and the majority of the respondents indicate that they currently do not see any need for it.*" Other country explains that *"some CMOs are concerned about the effectiveness and cost of implementing such tools within their organisation."* Some respondents raise concerns regarding the efficiency of detection technologies, the major problem being the constant evolution of AI models, with new players and updates to the current models, which outpace existing AI-content detection technologies.

Consequently, most CMOs largely depend on the good faith and honesty of rights holders who are requested (upon registration of their work) to confirm whether it involves AI components. There are

CMOs in some Member States that do not track or collect such information about the works in their databases and rely solely on the declarations of rights holders. As stated by one CMO: *"by registering the work, the author attests his authorship and there is no reason to doubt it."* There are also mentions of organizations that do not take the criterion of AI involvement into account, at all.

At the same time, many CMOs report that they follow international guidelines, issued their own rules and implemented the basic safeguards to confirm whether works involve AI components. Their enforcement efforts rely usually on indirect methods, such as performing random checks, where a work is picked out and the author needs to be able to prove that they have made creative choices, forming *ad hoc* review panels to evaluate the originality of suspect works, or monitoring irregularities in registration patterns. One CMO explains that if it *"identifies that an author is registering an unnatural large number of works, [the organization] will launch an investigation, looking into potential unlawful registration of 100 percent AI-generated songs and/or attempts of streaming fraud or similar activities."*

Notwithstanding, the respondents agree that rights holders are responsible for any consequences of submitting false declarations, including termination of contract or litigation.

There is a consensus among those that responded to this question that fully AI-generated content should be excluded from copyright protection and remuneration.

As for AI-assisted works, CMOs register them, although with diverse remuneration practices. Some CMOs are considering or have introduced remuneration proportional to human involvement. In such cases, rights holders are required to provide detailed information on the involvement of AI in the creative process. One CMO introduced a lump sum (i.e. 10% of remuneration for mostly AI-assisted work). Some treat Al components in AI-assisted works equally to works in the public domain (or a part of it). One CMO reports that it registers such AI component as "non-society" and lists the respective AI as the "rightsholder". Yet, no royalties are collected or distributed for this portion of the work. This organization adds that its approach may change in light of the future recommendation from CISAC.

Other organizations argue that remuneration and its distribution should not differ between AI-assisted works (involving AI as a technical aid) and traditional works because the former also involve free and creative choices. One CMO explains that such creative choices include editing, prompting, or the combination of elements with original creative elements. According to one visual CMO *"in the field of visual works (...) there was always some level of a human driven creative*

process involved (…). When an image is created, even in the case that it was mostly done using AI, it is always based on a creative idea or thought". Similarly, one Member State reports: *"Some CMOs have indicated their policy accepts works created with the assistance of AI, as a tool in support of creative projects in which their personal intervention is decisive"*. By contrast, the opinion was also shared by one CMO that given the fact that AI systems are trained on datasets including protected works of multiple authors, copyrightability of AI-assisted outputs, as such, should be put into question.

Furthermore, it transpires that content-related challenges in the era of AI are genre-specific. It has been highlighted that particularly music poses unique challenges for AI detection. One CMO underlined that R&B or electronic dance music (EDM) often feature synthetic vocal processing in original productions, which results in a lack of *"known real vocal"* and complicates detection efforts. On the same note, one visual CMO commented that *"with integrated AI-tools in almost any software used by visual authors (including i.e. Photoshop), it is hard to draw the line between AI-assisted works and not-AI-assisted works."*

In general, numerous respondents are willing to see developments of AI-detection technologies. They agree on the need for such tools, while some work is already done in collaboration with international partners or external IT suppliers.

Many CMOs consider in particular labelling or watermarking of AI-generated works as a way to overcome the problem of detecting such works. Strong support for further steps in this respect can be observed, as a number of CMOs underline the importance of labelling and watermarking provisions in the EU AI Act as crucial for transparency. Nevertheless, some scepticism is expressed in this regard, too. One Member State argues that the effects of AI Act and its labelling obligations should be assessed thoroughly before any new labelling obligations are introduced.

Many respondents advocate for clear legal guidelines, while aligning with EU AI Act and CISAC developments. According to one CMO, selected publishers argue that internal regulations should be established in the press sector and that it should be the publishers themselves to label the AI content. In addition, one Member State supports strengthening Copyright Infrastructure Task Force (CITF) and argues it would be useful for CMOs to prepare for the needed development of IT infrastructure that relates to interoperability and trustworthy copyright data.

In a nutshell, CMOs operating in the EU are adapting to the reality of AI in the creative sector to different degrees, although they are faced with both technical and legal constraints concerning AI-content detection.

Licenses of the CMOs repertoire for Generative AI training

I.3. Do CMOs in your Member State license works of the rights holders they represent for the purpose of training AI models? If so, do they encounter any specific challenges, e.g. related to the expression or identification of the TDM rights reservation? In your view, what measures could assist CMOs in licensing large collections of content for the purpose of training AI models?

Most responses to this question reveal that licensing of protected works by CMOs for the purpose of AI-training remains rare in the EU.

Some CMOs are developing AI-specific licences, but these practices are in the early stages. In general, licensing agreements concluded so far are limited to specific scenarios, such as creation of posthumous work with rights holders' consent or provision of assistance to the scripting of scenarios. Some CMOs in Europe are reported to license press materials for the purpose of training AI models, while others are still exploring possibilities in this regard.

Notwithstanding, most CMOs report that such licensing is scarce, not due to the lack of willingness or technical capacity on their part, but a combination of factors, mostly of legal or technical nature. According to most respondents, AI developers are reluctant to enter licensing negotiations. The latter are said to rely on TDM exceptions under the DSM Directive. This is considered to create a legal and informational asymmetry. Some stakeholders report that AI suppliers are referring to the territorial inapplicability of copyright to their activities or deny the use of works to train their models. Furthermore, they refuse to disclose training datasets, citing trade secrets. Consequently, CMOs are incapable of verifying the use of protected content, negotiating effectively or enforcing rights of authors and performers. Some believe that in many cases licensing negotiation is pointless, because the copyrighted content has been already used for the purpose of AI-training. According to one CMO: *"parties that respect copyright currently face unfair competition of parties that have not concluded the necessary licenses, which allows the latter to offer cheaper and faster released products."*

Many stakeholders consider that the TDM exception is unfit for AI training and point to the ambiguities of the scope of TDM exception. Particularly opt-out mechanism, through which rights holders can exclude their works from the scope of AI training is seen by the majority of CMOs as inadequate, insufficient and, in many cases, *"unimplementable*", which *"presents a significant barrier to such licensing"*.

CMOs criticize, in particular, the lack of standardization and legal clarity concerning forms and ways of expressing opt-outs. Additionally, several respondents report there is confusion over who has the mandate to exercise opt-outs (this seems particularly problematic in cases involving producers and performers.) One Member State reports that: *"some larger CMOs have made use of the opt-out for their rights holders, and have informed AI providers thereof, while other, smaller CMOs state they have no mandate regarding AI matters."* According to Intellectual Property Office in one Member State licensing for GenAI is strictly a matter between rights holders and AI providers, falling outside the scope of CMOs' business activities.

Other CMOs consider themselves competent to express opt-outs on behalf of their members. They usually do so *via* their websites in natural language, although uncertainty persists if such opt-outs are recognized by AI providers. Furthermore, the requirement that rights reservation should be made by *"machine readable means"* is considered too vague, causing legal uncertainty and resulting in varying practices. According to some respondents, technical measures such as using robots.txt work in theory, but are not effective in discouraging some AI system providers who bypass and ignore these notices.

There are also genre-specific constraints e.g. in music industry, where GPAI providers do not scrape data directly from CMOs' websites, but rather from musical recordings available online. CMOs do not manage rights to these recordings and cannot attach a rights reservation to them, for example through metadata. Some organizations have introduced internal guidelines, but still call for a uniform, transparent and efficient solution on the EU level. Many respondents claim that for the moment, the entire burden is unfairly placed on rights holders to monitor the internet against unauthorized uses of their work and communicate opt-outs to every single potential user.

Lack of clear legal mandates from rights holders, fragmented ownership of rights and management of rights across various categories (such as performers, composers and producers) are yet other factors constraining the licensing market. According to some CMOs, challenges seem even bigger in the music and audiovisual sectors, where CMOs often do not hold the necessary rights over

recordings and where producers may prefer to handle licensing individually. Producers sometimes assert their right to license entire catalogues, including performer rights, without further consent, complicating CMOs' ability to represent performers. It has been frequently underscored that *"the legal framework under the current EU acquis, combined with the preference for individual licensing expressed by producers of audiovisual works and sound recordings - (rather than by their CMOs) greatly complicates the process of CMOs quickly developing a licensing market."* By contrast, one CMO claims that "*For recorded music, rights reservations can and/or have been done legitimately in various effective ways."* and consequently *"there is no need for specific "measures [to] assist CMOs in licensing large collections of content".*

Transparency emerges as a key issue, necessary for exercising rights or negotiating remuneration. A significant number of responses express concerns that AI providers fail to sufficiently disclose the scope of copyrighted works used in their training datasets. Some stakeholders are concerned that the detailed summary under the AI Act could be insufficient in this regard.

In response, several stakeholders advocate for a number of actions to be taken nationwide or at the EU level to support the licensing market. However, views on possible solutions diverge.

Selected CMOs suggest that a register or database of opt-outs could increase transparency and efficiency of opt-out mechanism, although opinions differ on the feasibility of such a solution. Views also differ on whether a centralized or a decentralized register for opt-outs is more appropriate. One Member State underlines that standards for declaring opt-outs should be established jointly by AI companies and rights holders. On a different note, some organizations put forward an opt-in system, which would require AI providers to contact rights holders to get a license, so that *"European creators are part of the growth of the AI market in the EU".*

Given the concerns around the transparency obligations under the AI Act, a number of stakeholders suggest the burden of proof should be reversed so that AI companies demonstrate non-use of protected works. Such solution is believed to facilitate legal proceedings. By contrast, one Member State argues that the existing copyright liability regime together with national rules of civil procedure would provide an adequate distribution of the burden of proof, provided that the summary of data used by AI providers, required under AI Act, is sufficiently detailed to enable rights holders in litigation to establish a *prima facie* case.

Furthermore, legal obligation for AI providers to implement "unlearning" and the erasure of previously collected data is also proposed. The suggestion to introduce *"reliant withdrawal*

mechanisms (…), which enable performers to exercise control over the usage of their creations." is also put forward.

Numerous CMOs call for urgent EU level regulatory intervention, while others propose to wait and first assess the effectiveness of AI Act and the forthcoming General-Purpose AI Code of Practice.

Many CMOs are in favour of introducing extended collective licensing (ECL) or a similar model to ensure that rights holders retain control over their rights through CMOs. This proposal is supported by the opinions that *"it is very difficult (almost impossible) for individual authors to license AI companies for the use of their works and to secure royalties from AI companies. Collective management organizations, especially from small countries, face the same challenge."* Furthermore, some Member States and CMOs propose also a collectively managed remuneration right similar to private copying scheme, especially in cases where individual licensing is ineffective.

However, there are also opposite views of certain stakeholders who argue that individual licensing is more suitable for AI training and are strongly against mandatory solutions or ECL. The latter believe that mandatory collective licensing or ECL could hamper market development and conflict with the interests of rights holders who prefer to license individually.

Many CMOs emphasize the need for proportionate, fair and harmonized regulations to ensure all categories of rights holders - authors, performers and producers - are covered adequately.

Based on the responses, a growing need for a dialogue with AI providers can be observed. As stated by one Member State: *"(…) it is essential that a dialogue is established between rights holders and AI developers to raise issues of exploiting cultural and media data in the training and refinement phases of AI models, and to encourage the conclusion of agreements."* To this end, close collaboration of national authorities in charge of culture and digital affairs has been launched in the aforementioned country in order to establish best practices for the negotiation of agreements.

Overall, the responses reveal a fragmented and complex landscape struggling with legal uncertainty, technical barriers and different preferences of stakeholders. There is, however, a broad consensus on the need to enhance transparency of AI providers and ensure workable opt-out mechanisms for rights holders. In addition, further dialogue appears essential to develop a healthy licensing market.

I.4. How do CMOs in your Member State, in accordance with the principles established in Article 16 of the CRM Directive, assess the value of content licensed for AI training (considering that in this specific context an individual work may be considered to not have significant market value, but a collection of such works might)?

Based on the majority of replies, there is no established framework for valuation of creative content used for AI training. As indicated under question 3 of this Summary, content licensing market for AI training is rare in Europe. One respondent state clearly: *"To assess the value of content licensed for AI training, not only the value of the repertoire as an input but also the value of (…) outputs needs to be known. The current commercial practices of AI developers (copyright infringement and complete lack of transparency) prevent CMOs from properly assessing the added value their repertoire brings to AI training."* Consequently, as expressed by other organization, *"the issue of pricing is difficult to address and premature at this stage."*

Some respondents propose tentative valuation models, which generally rely on criteria such as the scope and purpose of AI use (e.g. whether commercial or non-commercial), the volume and type of content used, the revenue generated by AI applications, and benchmarks with existing licensing tariffs for streaming or reproduction. One CMO claims that simple predictive Al models (e.g. used for identifying correlations in large datasets) are not equivalent to Al models that generate output resembling human-made musical, visual arts or audiovisual works. The stakeholder argues that if AI output competes with human-authored creations - works, the remuneration should be much higher than in the case of a mere reproduction. One of the CMOs suggests that both activities (the input for AI training and the output) should be licensed as this is the only way to provide fair remuneration from any commercial AI solution that uses authors' works for training of the AI and further commercializes the respective AI solution as a paid service available for everyone. Some Member States propose more concrete ideas such as basing compensation on a percentage of AI providers' net revenue (e.g. 30%) or applying minimum licensing thresholds based on the size of the service provider and their market share, as well advertisement based on AI services. Others prefer flat-rate or repertoire-based approaches. According to one CMO, it could be possible to calculate lost revenues of rights holders, i.e. what would be their revenues if the user did not have AI at their disposal and used "normal" repertoire instead. The organization is aware of two regional TV companies that do not broadcast commercial content, but they broadcast their own AI-generated sounds. In these cases, the CMO is able to determine how much they should pay.

Referring to the wording of the question, some CMOs contest the approach that an individual work may be considered as not having significant market value. According to one CMO *"smaller collections of certain works also have a value, for example when it comes to reproducing a certain "style", for which you need certain specific works or AI-developers choosing certain databases specifically to develop a certain aesthetic."* Another organization reports that *"in the case of the music recording industry, the value of the content licensed for the purposes of AI training is subject to bilateral negotiations between the label and the AI company, on fair market terms."* One CMO considers it necessary to establish valuation criteria through national and international co-operation.

Despite the aforementioned efforts, there is almost a universal position among respondents that valuation cannot begin without transparency from AI developers. Particularly, rights holders need reliable information on which works were used, how they were processed, and what was the economic value derived from their use. Without such disclosure, neither fair compensation nor efficient licensing mechanisms can be established. There is also a strong support for introducing efficient transparency obligations e.g. through the forthcoming General-Purpose AI Code of Practice.

The overwhelming majority of respondents (CMOs) see collective licensing as the most practical solution to the scale and complexity of AI training, given CMOs' proven capacity to manage large repertoires. One CMO sums this up clearly: *"AI providers belong to the category of users that do not require access to individual recordings. Collective management organisations are by design built to service this type of user and serve as one-stop-shop to clear the rights on large catalogues."* This model is therefore viewed as beneficial for both rights holders and AI developers. Many suggest building on established practices such as ECL or tariff systems already in place for other forms of content use. Nonetheless, divergences remain. One Member State argues that individual licensing in certain contexts might be more practical. One CMO explicitly states that "*we have seen that the applicable frameworks, notably when rights are scoped as mere remuneration rights and/or subject to mandatory collective management, have often prevented CMOs to be able to apply tariffs that truly reflect the market value of the use of rights in trade."* Another respondent emphasizes the need for flexibility, rejecting the idea that any single model can serve all sectors.

Valuation also raises difficult questions around the fair distribution of future revenues. In particular, performers' organizations highlight that AI systems often learn from human performances, which is why performers should receive fair and appropriate share of remuneration. Some respondents therefore advocate for mandatory repartition rules.

In summary, while there is no operational licensing system for AI training in place today, a broad consensus can be observed around some key points. Collective management may offer a workable solution if transparency from AI providers is ensured.

I.5. Do you think that the scale of repertoires represented by CMOs might impact their bargaining power with AI-service providers? Should the approach to negotiating licensing agreements differ across sectors in the context of AI?

The majority of respondents confirm that the scale of repertoires, indeed, increases bargaining power with AI-service providers, although they enumerate also other relevant factors which need to be considered. There is also a broad consensus that licensing in the AI-context cannot be approached with a one-size-fits-all model.

Most stakeholders confirm that the scale, not only in terms of volume, but also diversity of repertoires managed by CMOs plays important role in increasing their bargaining position with AI service providers. Their negotiating leverage is built on the ability to offer comprehensive licensing packages that reduce transaction costs and simplify negotiations, thus creating incentives for AI providers to engage with CMOs as single interlocutors.

Although scale is important, many respondents highlight that CMOs operate within an extensive international web of representation agreements and shared databases. This interconnected structure means that even smaller or specialized CMOs effectively represent large and diverse repertoires collectively. In turn, smaller CMOs can also achieve bargaining power comparable to their larger counterparts. As stated by one organization *"the amount of rights represented is not the only factor determining the price of content used for the training of AI services. The rarity or quality of the content, the availability of relevant metadata and the composition of the individual datasets, etc. also have a major impact* on *pricing. What is valuable to one developer may be useless to another (...).*"

At the same time, however, some respondents emphasize that the aforementioned advantages of collective management organizations need to be combined with legal frameworks such as ECL, which facilitate the licensing of entire repertoires. Numerous stakeholders suggest that ECL could further strengthen CMOs' bargaining power by granting them a more unified negotiating mandate. There are also more cautious opinions that impact of current regulations such as AI Act together with the forthcoming Code of Conduct needs to be assessed before any further amendments are introduced.

Several stakeholders express the view that despite the repertoire scale advantage, the economic and market dominance of AI-service providers represents a major challenge for CMOs, noting that "*AI companies cherry-pick, select the biggest creators and leave the rest of the industry behind with no remuneration or data - a huge problem for the creative ecosystem and the cultural diversity."* There is a broad consensus that big AI developers possess substantial financial resources and market power, which can weaken the negotiating position of even well-organized CMOs. One organization sums up this point clearly: *"no matter how large the CMO's repertoire is, big AI providers have much stronger economic power than any CMO."*

Numerous organizations report that AI providers are unwilling to engage in licensing agreements, because they are taking advantage of the current legal framework. Thus, stakeholders call for a strengthened legal environment, which requires transparent licensing negotiations and empowers regulatory bodies, particularly competition authorities, to oversee fair practices.

There is broad consensus that licensing in the AI context cannot be approached with a one-size-fits-all model. As one Member State underlines: *"licensing approaches must be tailored to the specific characteristics of each sector, as the value and use of content in AI training varies significantly across domains."*

For instance, in the music sector AI developers are already negotiating for extensive repertoires. In visual arts, due to the uncontrolled distribution of images online, mechanisms like opt-out are difficult to enforce effectively, making collective management and compulsory licensing mechanisms more relevant in ensuring fair compensation and control.

One respondent enumerated sector specific questions that need to be addressed in negotiations such as *"question of financing of the providers (free-of-charge, subscription based, one-time-fee etc.), following through the training scope (scope of repertoire used for training) as well as actual usage (where (...) getting accurate usage reports from training AI models might prove practically impossible, (...) due to the size of the training datasets, and (...) because the nature of "AI training usage" is completely different from "classical usage" of a known protected work used at a known time and in a known number of repetitions)."*

By contrast, a few stakeholders do not see the necessity of differentiating the negotiation process depending on the sector.

Some CMOs emphasize that rights holders' autonomy to decide whether to engage with collective management or pursue individual licensing needs to be respected. Many oppose to mandatory collective management unless market failures justify such measures. They believe market dynamics and individual preferences of rights holders need to be respected. On a slightly different note, one CMO comments that "*the question is based on the false premise that managing organisations necessarily have broad mandates to conclude agreements in the field of AI. Currently, the vast majority of licensing takes place outside CMOs, e.g. through companies specialised in handling AI licensing or through direct agreements between individual rights holders and AI services".*

Some CMOs put forward a proposal of compensating rights holders for the large-scale, "historical" use of their works in AI training datasets. They suggest models similar to statutory remuneration schemes to address such past use. One Member State strongly facilitates a dialogue between stakeholders and AI providers in order to establish good practices.

To sum up, the majority of stakeholders share the view that the scale of repertoires managed by CMOs enhances their bargaining power with AI-service providers, yet the negotiation environment is much more complex and shaped by the economic strength of AI developers. A number of CMOs express the view that legal and regulatory frameworks, particularly enabling ECL models, ensuring transparency of AI companies and supporting enforcement are essential to level the playing field.

Overall, stakeholders' replies to this question show that licensing in the AI-context requires a balanced approach, where CMOs play an indispensable, but not exclusive, role.

I.6. What actions are or should be taken by CMOs to protect rights holders from the unauthorized use of their works by AI services? What are the best practices and most common challenges in your Member State with regards to this issue?

Many stakeholders report that AI providers often use protected works without permission, *de facto* infringing rights of authors and performers. Submitted responses reveal that CMOs take various steps to address such practices. Some organizations share examples of close cooperation both nationally and internationally, including CMOs, rights holders, and enforcement agencies. Through such collaborations they share information, monitor infringements and push for legal changes more effectively. A number of CMOs inform their members on the opt-out mechanism or exercise generalised opt-outs on their behalf. Nonetheless, the common opinion is that tracing infringing use is challenging and without rules that force AI providers to be transparent and respect opt-outs, it is hard to enforce rights.

Furthermore, some CMO insert specific clauses in their licensing agreements. One Member State reports that a dedicated anti-piracy organization is acting on behalf of its members. Recently the said organization took large datasets offline which were used to train AI models. The said datasets consisted of illegal copies of copyright-protected works from illegal sources, Consequently, the provider of the dataset has signed a statement that he will abstain from further infringements. The infringer has also provided information about who received the datasets.

Taking AI providers to court is still very rare. It is considered costly and time-consuming, and not always an option, especially for smaller CMOs. One major example is German CMO, first collecting society worldwide to file a lawsuit against GenAI provider for using copyright-protected musical works to train their systems without having acquired licenses.

The stakeholders identify several key actions necessary to improve protection of rights holders.

One of the main priorities identified by the majority of CMOs is establishing clear legal rules. They propose that AI providers should be legally obliged to seek prior authorization before using protected content for training. Numerous respondents advocate for collective licensing models, which would be designed specifically for AI training. Such licensing models are believed to ensure fair remuneration and acknowledgement of right holders. A lot of CMOs underline that transparency of AI providers must be enhanced and ensured as it is difficult to verify whether AI models are using works legally because rights holders have no access to information about training data. Several stakeholders underline that the burden of proof should be reversed so that AI providers show they have right to use the copyrighted content. Such solution is considered to support enforcement and level the playing field. Some organizations push for introducing the obligation on AI providers to “unlearn” AI models.

In short, CMOs call for improved transparency from AI providers and clarifying the law regarding in particular TDM opt-outs. The answers also reveal that the CMOs are willing to work together to push for change, but they need adequate tools, rules, and support of policymakers to do so.

I.7. Do CMOs in your Member State observe any impact on their revenue from the widespread generation of content by AI? What measures are they taking in response?

While the majority of CMOs have not yet observed a clear drop in revenue due to the proliferation of AI technologies, they express widespread and growing concern regarding the potential negative economic impact of AI on copyright-based industries in the near future. Most organizations report

that although current financial figures remain relatively stable, they anticipate a significant decline in the coming years. These concerns are supported by recent studies, including the AI Study by CISAC and PMP Strategy (2024), which predicts that Gen Al outputs in music will be worth a cumulative €40 billion over the next five years, rising to an annual value of €16 billion in 2028. By 2028, Gen Al music will account for around 20% of music streaming platforms' revenues and around 60% of music libraries' revenues. Under current conditions, this market penetration by Gen Al outputs could put 24% of music creators' revenues at risk in 2028. This represents a cumulative loss of €10 billion over the next 5 years and an annual loss of €4 billion in 2028. Gen Al services in music (both mass public and professional tools/software) are projected to generate exponential revenue growth, reaching an estimated €4 billion in 2028, with a cumulative total of €8 billion over 5 years.

Notably, one CMO ran an internal member survey in May 2024, which showed that 84% believe that the use of AI tools will affect the decline in authors' income, and 16% already feel a negative impact. 97% of the surveyed members believe that the author should receive remuneration for the use of their works in training AI tools and later AI outputs.

Moreover, numerous CMOs consistently report the increasing displacement of original, licensed content by AI-generated materials, particularly in markets where budget constraints favour low-cost or royalty-free alternatives. This replacement effect is already visible in specific sectors such as background music (e.g. shops, advertising, and video games), illustrations, audiovisual content (e.g. sound effects and music), and even press publications or educational resources. AI-generated content floods these markets, reduces demand for original works, especially in price-sensitive sectors, and, in turn, negatively impacts creators' earnings.

CMOs operating in smaller markets report limited enforcement capacity and infrastructural barriers. The lack of transparency of AI providers and the significant procedural and financial obstacles linked with pursuing claims, especially against large AI companies, further undermine the position of rights holders in these jurisdictions.

Overall, the submitted replies underscore a high level of concern among rights holders and CMOs regarding the disruptive effects of AI on the creative economy, even if concrete economic losses have not yet fully emerged.

I.8. Apart from the abovementioned issues, do CMOs in your Member State face any other challenges or concerns related to AI technologies?

CMOs across the EU identify a wide spectrum of challenges arising from the proliferation of AI technologies.

Apart from the numerous challenges already mentioned under the previous sections of this Summary, many CMOs express fear over the perpetuation of *"exploitative contractual practices that undermine the protection"* that authors and performers were intended to receive. The majority of respondents highlight the risks that artists' content will be used without remuneration to create *"new content that would be substitutable to the artists in the eye of the public."* There are concerns driven by refusals of AI services to obtain prior authorization and respond to any licensing request or to set up any technical cooperation to remove unauthorized works.

Another challenge is big tech's data concentration. One CMO argues that big tech companies refuse to share data and give data insight - so they have the competitive advantages, they can create new business models and content based on other authors' works - and stay relevant. In turn. European start-ups and SMEs cannot compete, and the entrance barriers are very high due to big tech's dominance.

Some CMOs stress the need to establish a legal and market framework for negotiations between rights holders and AI companies, stating that AI companies are not cooperating, and rights holders are unable to negotiate fair terms.

Another repeatedly raised concern is the **replacement of human creativity with AI-generated content**, perceived as an "*existential threat"* to culture and artistic diversity. In particular, the potential replacement of human performers by machines is believed to insert *"a massive negative impact on culture."*

Moreover, in relation to streaming, AI is considered to reduce royalties for artists and authors as their share in the royalty pot decreases. It is therefore considered important to *"ensure transparency also with regard to algorithms"* to guarantee that the number of streams is not artificially inflated with regard to AI generated music.

Furthermore, several CMOs in some Member States make references to the dangers in terms of personality and moral rights and *"free riding"* of artists' image, the difficulty related to the territorial application of the AI Act. One stakeholder raises concerns over violation of personality

rights by deep fakes and underlines that other imitations can be done easily. Some CMOs propose to adjust the norms in order to cover “likeness” under personality rights.

One respondent report that dubbing actors are worried about the developments concerning their jobs. They are particularly afraid of the possibility that if they grant the studios the permission to use their voices, the studios might use them for the purposes of creating voice clones.

Some CMOs highlight the ambiguity around the copyrightability of predominantly AI-assisted works and challenges linked to detection of AI-generation content. Meanwhile, **others** raised specific concerns about fraudulent reports of usage of AI-generated content being submitted to claim royalties.

On enforcement, many respondents call for compensation for AI training that took place before the transposition of the DSM Directive. One Member State proposes a *“mandatory final offer arbitration model”* like those in Canada, Australia, and the UK to address enforcement difficulties.

A few CMOs also highlight risks around algorithmic bias and the increasing difficulty of distinguishing between human-made and AI-generated content.

Last but not least, some respondents underscore the broader social and political consequences of AI systems operating with minimal accountability, particularly in relation to personal data protection, media integrity, disinformation and the public’s ability to discern reliable sources of information.

II. Collective Management Organizations and the Relationship with Online Platforms and Other Online Players

II.1. Have there been any relevant surveys, studies, or research in your country, particularly by CMOs, concerning the business relationships between CMOs and online platforms/other online players that you would consider worth sharing?

In the contributions there were presented a lot of surveys, studies and research, especially at the international level (see Annex I). A significant number of them relate to the music sector. Many Member States and stakeholders referred to some of studies in support of their findings presented in the responses to the questionnaire.

The number of publications at the national level is limited, however, a few examples of them were mentioned.

One Member State established the Government's Expert Group on Big Tech which prepared recommendations on unauthorized use of copyright material. Those recommendations include, in particular, the reversal of burden of proof (demonstration by Big Tech that they do not infringe copyright) and establishing a system for the conclusion of collective licensing agreements for the exploitation of copyrighted works for training generative AI systems.

One Member State informed about carrying out a study on the impact of the implementation of the DSM Directive. In this context, the economic impact of the new provisions will be assessed. A special focus will be placed on the online exploitations and the role of CMOs which have been appointed for the mandatory collective management of unwaivable remuneration rights. The study is still pending, and the results are expected by the end of 2025.

There were also voices noting that local CMOs don't find it necessary to carry out studies on their own, as they believe the result of studies conducted by larger CMOs or umbrella organizations also reflect the local situation.

II.2. What challenges do you observe in the relations between CMOs and online content-sharing service providers ("OCSSPs") in relation to Article 17 of the DSM Directive in the different creative sectors? Are CMOs encountering difficulties in negotiations with OCSSPs under Article 17 of the DSM Directive? If so, what is the specific nature of these challenges?

A significant number of Member States and stakeholders were of the view that the adoption of Article 17 of the DSM Directive facilitated negotiations between CMOs and OCSSPs and led to the conclusion of some license agreements. However, there are remaining difficulties in this regard and the situation varies across sectors.

A few CMOs indicated that it was observed a slight increase in contact with services, including with OCSSPs that previously refused to engage, however this has not materialized in license agreements.

The respondents identified many challenges for CMOs in the relationship with online platforms and other online players. The majority of them refer to the lack of transparency on the online players' side. According to many respondents, OCSSPs refuse to share the necessary information about the works used and the revenues generated, therefore, there is no possibility to assess the real market value of content and to determine a fair remuneration.

A frequently mentioned challenge was also the asymmetry of powers in negotiations, especially in cases of CMOs representing smaller repertoire in contrast with big online players. According to some CMOs from one Member State, platforms typically set the terms of negotiation on a "take it or leave it" basis, offering lump-sum deals and amounts that significantly deviate from established tariffs to the detriment of rights holders – particularly members of smaller CMOs – while leveraging their dominant global market position. A few respondents indicated lack of good faith in negotiation on the OCSSPs' side. E.g., some CMOs from one Member State mentioned that certain platforms use technical limitations on the identification of works as a pretext to try to limit the presence and the use of repertoire. Some CMOs from another Member State raised concerns about imprecise functioning of automatic recognition tools and the low quality of the metadata they rely on.

A few respondents highlighted problems with identification of entities that may fall under Article 17 of the DSM Directive and reported ongoing disputes over OCSSP definition. Some CMOs from one Member State mentioned that it has proven difficult to identify the correct representatives of the OCSSP and thus to get a response within a reasonable timeframe.

A few stakeholders provide examples of challenges from particular sectors, such as algorithmic and fraudulent practices in case of music streaming platforms, and coercive buy-out contracts in case of VOD platforms.

There were also separate voices noting that challenges are posed by: complex, evolving content use; complexity of negotiations; implementation of mechanisms for removing unauthorised content; reporting errors that remain uncorrected despite corrections communicated by rights holders; pre-established payment levels.

A few stakeholders pointed out that CMO is not always a contracting party in case of an agreement with OCSSP. For instance, in the music streaming market there are cases where licenses are granted to OCSSPs by individual rights holders, record companies or licensing agents, without any involvement of CMOs. Furthermore, according to several respondents, some CMOs representing smaller repertoire outsource the licensing of their repertoire to multi-territorial services.

In one Member State, stakeholders reported a case involving a visual CMO that initiated a lawsuit against an online player. The respective district court in the Member State confirmed in an interim judgement that services conducted by the sued company are indeed OCSSPs and that a license agreement should be negotiated from the implementation date.

II.3. How do you assess the effectiveness of alternative dispute resolution mechanisms (in particular mediation) in resolving disputes between CMOs and technology companies?

The majority of the Member States and stakeholders reported that alternative dispute resolution mechanisms are not commonly used for resolving disputes between CMOs and technology companies. For this reason, there is a lack of evidence regarding the effectiveness of such mechanisms.

Several Member States have introduced specific provisions regarding mediation, but in practice those mechanisms are very rarely used because of their voluntary nature. There were also voices noting that the parties prefer going directly to court.

In several Member States there are specific bodies (committees, commissions) which resolve disputes regarding copyright and related rights at the request of the parties. In one Member State, the body responsible for mediation between CMOs and OCSSPs in disputes regarding the authorisation for online use of musical works was involved in three disputes. In another Member

State there is a mediation and arbitration body which doesn't cover disputes between CMOs and technology companies, however, several CMOs consider that it might be appropriate to resort to the above-mentioned body for the resolution of this type of disputes. Stakeholders of another Member State presented an example that a form of mediation and the consulting of experts can also be a part of legal proceedings.

A common view emerging from the contributions was that alternative dispute resolution mechanisms could be useful. However, their effectiveness is limited by several factors, e.g.:

1) technology companies' avoidance tactics.
2) lack of binding decisions.
3) the tendency of technology companies to prolong negotiations.
4) limited confidence in mediation.
5) willingness of both parties to co-operate.
6) willingness to seek solutions acceptable to both parties.

According to one CMO, since technology companies often have no representatives in small countries, national dispute resolution mechanisms have no effect.

One Member State reflected on their CMOs' view that international arbitration with online platforms is seen as expensive and slow. Nevertheless, one of those CMOs reported on a positive experience with an arbitration body. The functionality and effectiveness of the procedure before the arbitration body is currently being evaluated in a study issued by one of the ministries.

The Member States and stakeholders provided some examples of solutions for making alternative dispute resolution mechanisms in resolving disputes between CMOs and technology companies more effective, such us strengthening institutional capacities, stronger enforcement mechanisms, greater accountability for technology companies in their dealings with CMOs or more structured and mandatory approach. One CMO proposed that a mandatory mediation mechanism should be introduced at the EU level with the possibility of only one appeal against a mediation decision.

II.4. Have national regulations been introduced in your Member State to facilitate the negotiation of agreements with technology companies under Article 15 of the DSM Directive? How would you assess the effectiveness of these regulations?

The majority of Member States informed that their national laws do not provide any specific mechanisms to facilitate the negotiation of agreements with technology companies under Article 15 of the DSM Directive. However, a few Member States reported that they have introduced some specific national regulations in this regard, such as:

1) a possibility to request the administrative body to determine the value of publisher's right in a binding decision, if no agreement can be reached.

2) criteria for setting remuneration.

3) transparency obligations incumbent on OCSSPs.

4) extended collective licensing with a possibility for mediation.

Effectiveness of those regulations is still under review. Some of them are currently the subject of request for a preliminary ruling of the Court of Justice of the European Union (see cases C-797/23 'Meta' and C-663/24 'Streamz and Others').

CMOs of one Member State highlighted the difficulties encountered by publishers in obtaining application of the provisions relating to the new neighbouring right and the difficulty of conducting negotiations with ISSP in this context, and informed that the national competition authority has imposed substantial penalties on an ISSP. Additionally, those CMOs pointed out that the majority of publishers are still finding it extremely difficult to reach agreements with ISSPs. This situation has forced publishers to initiate legal proceedings, which are still pending, alleging a lack of transparency and, more generally, a refusal to accept any form of compensation.

One Member State expressed its doubt about effectiveness of regulations which aimed at improving the negotiation position of publishers, giving an example that one of the largest global service providers shut down some of its services before the amendment came into effect in order to avoid paying royalties to publishers.

II.5. Which CMOs in your Member State have experience in utilizing blockchain technology to support the use of digital tools? Are any changes in this regard planned?

The majority of the Member States and stakeholders reported that CMOs do not use blockchain technology. However, several respondents provided some examples of using blockchain technology by CMOs, such as:

1) using blockchain technology to renew licenses.

2) a web platform developed by the organization for authors, publishers and users of works, which integrates new technologies to protect content from piracy and encourages the consumption of legal content.

3) using blockchain technology for the development of a new open ecosystem for copyright management.

4) using blockchain technology in music sector - developing a system for managing links between the International Standard Recording Code (ISRC) and the International Standard Musical Work Code (ISWC) to optimise the identification of rights holders, limit costs and, ultimately, speed up licensing.

5) a service that issues a certificate establishing the anteriority of a work to enable authors to prove their authorship in the event of a dispute (accusation of counterfeiting); this service use blockchain as a centralised, secure database for storing files submitted by authors.

6) using blockchain technology in music sector – timestamping files and sharing them in a secured (non-downloadable) way.

7) a pilot project to assess the viability in automatically identifying music tracks played on the radio and invoicing rights holders (continuing this pilot was deemed too costly).

It was a general view stemming from the contributions that many CMOs are open to use any type of technology or digital solutions which can increase the efficiency of collective management of rights. However, experience of some CMOs shows that the implementation of the blockchain technology is expensive and not suitable for the purposes of collective management of rights (for example due to constraints by compliance and data protection law).

II.6. In your opinion, are new technologies reshaping the operational model or giving rise to new business models of CMOs? For instance, how is the role of CMOs evolving in relation to music or audiovisual streaming platforms, multi-territorial music licensing hubs, online intermediaries, or any other category of online platform?

On the one hand, it was a general view stemming from the contributions that new technologies force CMOs to design new operational and business models. According to some respondents, CMOs have to modernize management and licensing process and adapt to new technological realities. There are also voices noting that, in principle, the record-breaking volume of the use of protected content doesn't lead to the growth of remuneration for rights holders. Therefore, there is a need of identification and monitoring of new ways of using protected works (new forms of exploitation). According to some Member States and stakeholders, due to complexity of the licensing process, many CMOs delegate online rights management for their members' repertoires to other CMOs or specialized intermediaries that provide such services.

On the other hand, according to some respondents, new technologies could be beneficial to CMOs, that use them to improve control over actual use of works and to make the collection and distribution of remuneration more efficient.

Nevertheless, as underlined in a significant number of contributions, while technology changes, the role of CMOs remains the same. They should protect rights holders, facilitate the efficient collection and distribution of remuneration and ensure fair remuneration across different markets.

CMOs or other stakeholders which are active in particular sectors or represent particular groups of rights holders presented their observations, e.g.

1) Some CMOs representing authors and performers emphasized the role of digital tools enhancing operational efficiency and new data processing methods.

2) In the music sector, entities operating new business models track fragmented music repertoires across multiple territories and adapt to different legal and market frameworks in various countries. At the same time, despite developing new processes and models, traditional licensing models are active in parallel, since digital technologies have not replaced traditional forms of music consumption (e.g., concerts, radio and TV broadcast).

3) According to some stakeholders from the audiovisual sector, the statutory remuneration right model with mandatory collective management is legitimate model to ensure remuneration to audiovisual authors for streaming exploitation.

4) According to a visual CMO, despite the changes in law, there is no increase of remuneration streams when it comes to stand alone images, thus stronger regulation in favour of rights holders is needed.

5) From the point of view of a private copying CMO, it is extremely important to control the cross-border trade of physical products (devices and media that enable private reproduction of works).

The Member States and stakeholders mentioned some examples of solutions for making the collective management of rights in the digital era more effective, such us:

1) use of multi-territorial licensing hubs.

2) cooperation of CMOs at national and international level (partnership between of them to consolidate services or grouping them in associations of CMOs from several countries).

3) in terms of negotiation with technology companies, deep understanding of new technologies and digital process while assembling a multidisciplinary team of negotiators, economists, lawyers and IT experts.

II.7. On January 17, 2024, the European Parliament adopted a resolution on cultural diversity and the conditions for authors in the European music streaming market2. The document highlights the need for a fairer models of streaming revenue allocation for authors and performers. What role should CMOs play in supporting authors and performers to obtain fair remuneration in this process?

According to many Member States and stakeholders, CMOs play crucial role in supporting authors and performers to obtain fair remuneration in the music streaming market. Some respondents highlighted that CMOs have stronger bargaining power than individual authors in negotiations with

[2] European Parliament resolution of 17 January 2024 on cultural diversity and the conditions for authors in the European music streaming market (2023/2054(INI)) available at: https://www.europarl.europa.eu/doceo/document/TA-9-2024-0020_EN.html

streaming services and infrastructure that is already in place (databases, IT solutions, administrative staff, established business practices), helping to create a more equitable and sustainable environment for authors and performers.

However, among the respondents there is no doubt that lack of fair remuneration is a complex market problem which can't be resolved just by CMOs. According to some Member States and stakeholders, EU bodies should reflect and respond to some calls and demands stated in the European Parliament's resolution. A handful of respondents indicated that CMOs should actively engage with policymakers to push for stronger implementation of Article 17 of the DSM Directive as well as the provisions in Chapter 3 on fair remuneration. Furthermore, it was highlighted in some contributions that there is a need for new possible legal and policy initiatives at EU level, especially to regulate the use of algorithms by music streaming platforms (the transparency with regards to algorithms that define visibility on platforms).

Some stakeholders argued that streaming has made the business more democratic and competitive. According to them, the fact that only some of the creators whose music is available on streaming services will be able to attract the consumer's attention, and therefore receive streaming income, is something that no regulatory intervention can change.

Some Member States and stakeholders indicated that one of the possible solutions could be the introduction of a right to equitable remuneration subject to compulsory collective management for the making available or any other form of communication to the public of music works. However, there were also voices noting that the basic principle on the negotiations is the private autonomy and the rights holders should always be able to negotiate license agreements by themselves.

A few Member States emphasized that CMOs should educate rights holders (especially young ones) on copyright rules as well as on the importance of rights attribution, organising awareness campaigns or taking other educational actions.

II.8. Is there a discussion in your Member State about the introduction of new remuneration models in response to emerging technologies, in accordance with the Article 18 of the DSM Directive (such as additional and non-transferable remuneration for online streaming)?

Several Member States reported that they have introduced new remuneration models during the transposition of the DSM Directive into the national laws, or even earlier (there is one example of introduction of specific provisions in 2006). Particular models are based on:

1) mandatory collective management of unwaivable remuneration rights.

2) entitlement to fair and proportionate remuneration – either directly or through CMOs or IMEs – for authors, dialogue adaptors, dubbing directors and performing artists, including voice actors, who license or transfer their exclusive rights for the exploitation of their works or other protected materials.

3) fair and non-transferrable remuneration rights for authors, authors of the original work based on which the audiovisual work is created, co-authors of audiovisual works, performers, phonogram producers and film producers.

4) appropriate and proportionate remuneration for rights holders, which is determined into a specific percentage, while a lump-sum is permitted only in the case where specific prerequisites apply.

5) statutory remuneration of rights holders against a service provider and statutory remuneration for caricatures, parodies and pastiches used on online platforms.

6) mechanism ensuring that the remuneration, when it is a subject to collective management, is irrevocable and non-transferable (it applies to all authors and to all uses that are managed collectively, including the online uses).

7) collective agreement on guaranteed minimum remuneration for performers in respect of streaming, providing for:

    - a minimum rate of "royalties" payable to the main performers for the distribution of their tracks via streaming.

    - a guaranteed minimum advance of EUR 1000 per album.

    - an additional flat-rate payment based on the length of recordings and a profit-sharing scheme for studio musicians based on the success of tracks streamed.

One CMO from the Member State, which introduced new remuneration model, mentioned that actual application of existing provisions is quite complex.

One Member State informed that the topic has been discussed in inquiry, which concluded that no such remuneration model should be introduced.

Some stakeholders are of the view that introducing additional remuneration would not fit within the scope of the DSM Directive. They argued that the introduction of such a right is the object of the pending CJEU case C-663/24 ‘Streamz and Others’.

According to other stakeholders, the additional remuneration right would not benefit the artists, e.g., it would jeopardise the growth in the record music industry and would add an unnecessary layer of administration and cost for the growing number of artists.

In many Member States there is a discussion regarding the introduction of new remuneration models, e.g., for use of protected works by AI providers.

III. Supervision and Transparency of CMOs at the Forefront of Innovation

III.1. Have you identified specific challenges in monitoring the activities of CMOs, in particular, in relation to the implementation of the CRM Directive? Which measures have been taken at national level to monitor the CMOs' activities and ensure compliance with the CRM Directive?

There were divergent opinions on that question. Several Member States encountered some challenges in monitoring the activities of CMOs, in particular, in relation to the implementation of the CRM Directive while others did not encounter such challenges.

Several Member States noted that the challenge in monitoring the activities of a CMO in relation to implementation of the CRM Directive was a necessity both for the supervisory authorities as well as for CMOs themselves to adapt to the new requirements imposed by the Directive both on Member States and CMOs. As an example of such an adaptation one Member State noted the need to adjust measures regarding the control of CMOs. Another example was related to legal form under which CMOs operate. One Member State noted that under the CRM Directive, CMOs are obliged to accept right holders as members if they fulfil certain conditions what posed a challenge for some CMOs operating under the legal form of a corporate entity. On the other hand, for CMOs operating under the legal form of association it was complicated to enable their members to participate and vote in general the assembly by electronic means, so they rarely use that possibility. As one Member State noted, implementation of the CRM Directive made it necessary to amend statutes of CMOs as well as other internal regulations to suit the new legal framework. One Member State shared that it observed resistance in this matter on the part of existing CMOs, which were unwilling to adapt its organisational structures as well as internal procedures to the new legal frameworks. Some Member States mentioned as a main challenge the lack of standardisation (e.g. financial reporting, payments) and the need of interpretation of specific measures (e.g. licensing, tariffs). Two Member States observed a substantial workload of the supervisory authority in the early stages after implementation of the CRM Directive. However, in general Member States are of the opinion that implementation of the CRM Directive has strengthened mechanisms related to supervision over the activities of CMOs.

Usually, supervision of CMOs is entrusted to Ministries (of culture or justice) or specialised offices such as the Intellectual Property Offices. However, there are examples of entrusting supervision over CMOs to other public entities. However, in some Member States there are also other

authorities which are in charge of specific aspects of supervision over CMOs such as auditing. It was also mentioned that resolving disputes between right holders and CMOs is the responsibility of the jurisdiction of the courts.

In most cases there have already been established supervisory authorities before the CRM Directive came into force. However, there are examples of designation of a supervisory authority in the result of the implementation of the CRM Directive. Another Member State noted that before the transposition of the CRM Directive, CMOs in that Member State were not in fact a subject to supervision regarding their activities. Those CMOs were only required to comply with the minimum statutory and corporate requirements and communication transparency obligation.

Member States listed following measures which have been taken at the national level to monitor the CMOs' activities and ensure compliance with the CRM Directive:

1) audits (either general or detailed).

2) requests for any information and documents from CMO.

3) inspection of business books and other documents (such as annual reports), even if they contain personal or other protected data.

4) request from the management or supervisory board of CMO for explanations of facts or documents.

5) attendance at the annual general meetings, as well as the meetings of management or supervisory boards as observers.

6) reviewing CMOs' websites and documents published there to verify their compliance with relevant provisions.

7) holding meetings with CMOs to better understand their activities, address any issues and enhance communication.

The above-mentioned measures will be explained in more detail in the following paragraphs.

III.2. Are CMOs in your Member State audited by a national competent supervisory authority? What methodologies or procedures are followed during audits? How are the audit areas selected? Which authority and specific organisational unit is responsible for conducting these audits?

The majority of the Member States noted that CMOs are audited by the national competent supervisory authorities in some way. Several Member States in the response to this question referred to general supervision of CMOs or reviewing of annual reports. However, some Member States shared their experience in relation to audits in the strict sense.

In most cases audits are carried out by the same authority as the one responsible for the general supervision over CMOs (either copyright division or other division such as a specialized audit division). However, in several Member States audits of CMOs are carried out by the specialised authorities such as: an office responsible for protection of competition, a public prosecutors' office, an authority responsible for tax audit or an inspection service/commission dedicated to the auditing of copyright and related rights management entities. One Member State mentioned that audits might be commissioned to an audit company/sworn auditor by the supervisory authority. Several Member States mentioned that CMOs are also a subject to the mandatory audit on the basis of specific legal provisions. This requirement is related to the legal form under which CMOs operate or the fact that they are non-profit organizations. One Member State noted that its supervisory authority has no competence to request the audit of CMO.

Two Member States shared some information regarding personal aspect of an audit. The first of those Member States informed that audits are conducted by two employees of the supervisory authority. One of those employees is an expert in the field of copyright and related rights and the second one is an expert in accounting. The second of abovementioned Member States informed that there are five persons included in the process of auditing (representatives of: legal, finance, administrative and cultural authorities).

Two Member States shared that, although they have necessary regulations, they had not audited any of their CMO yet. One Member State explained that the reason behind that was financial implications as well as the fact that it was not necessary since no complaint from the right holder had been identified.

With reference to the methodologies and procedures which are followed during audits, one Member State shared that it has two procedures regarding the auditing of the CMOs: pro-active and reactive part. The procedure for the pro-active supervisory activities is based on the idea of a yearly supervisory plan, specifying which sector was to be audited, in relation to what requirement, and the reasons why. The reactive part is not governed by a specific methodology but is carried out according to a standardised procedure.

Several Member States noted that methodologies and procedures which are followed during audits include of hearings and requesting for information and documents.

On the way of selecting audit areas many Member States shared that during audits of the CMOs they usually focus on the content of the annual transparency reports. Several Member States noted that audit areas are selected on the basis of complaints regarding CMOs' non-compliance with the applicable regulations.

One Member State informed that in the first years following transposition of the CRM Directive the focus was primarily on selecting those areas that were the result of the application of the new rights granted to the members of the CMOs and the new obligations imposed on the CMOs themselves. Other Member States generally indicated that audits focus on managerial, financial and administrative activities. Several Member States while auditing focus on methods of redistributing remuneration to the right holders, financial deductions and transactions between organizations. Other audited areas include: the way of spending non-distributable amounts, efforts that the CMO makes to identify right holders who cannot be easily identified, large amount of different financial information (the costs of exercising rights etc.) including all of the data from annual transparency reports, activities and expenses of the CMO bodies, transparency of funds, internal rules of the CMO, cooperation contracts concluded by CMO, applicable tariffs, international cooperation and number of mutual representation agreements, conditions for membership, number and reasons for right holders' complaints etc.

III.3. What challenges are encountered when reviewing the annual reports published by CMOs? Is there an authority and specific organisational unit tasked with reviewing these reports and which one? Are CMOs asked to rectify any deficiencies, and if so, within what timeframe are they required to provide the necessary information?

Some Member States did not encounter any challenges when reviewing the annual reports published by CMOs, while some others did. Those challenges concern following issues:

1) a late publication of the transparency reports.
2) a lack of human resources qualified in accounting.
3) a lack of structure and clarity.
4) inconsistencies of data.
5) an omission of certain elements.
6) superficial explanations that mask certain management failings.
7) using different accounting criteria (cash vs. accrual basis).
8) a differentiated manifestation of the necessary information.
9) different interpretations of obligations required by law.
10) referring to the documents to respond to some of information required within annual transparency report (instead of responding within the documents themselves).
11) insufficient breakdown by category of managed rights.
12) an absence of a comparison with the CMO's situation in previous years what makes it difficult to assess the scale of the problems.
13) an absence of any obligation to mention the procedures, warnings and sanctions to which they have been subject.
14) a confusion between information relating to activities on national territory and those pursued in another Member State.

15) non-compliance with the regulation on the internal structure of the CMO.

In one of the Member States reviewing the annual reports belongs to the competence of other authority than the one responsible for general supervision of CMOs or audit of those organizations. However, one Member State noted that under Act on Financial Operations and Accounting of Non-Profit Organisations, Ministry of Finance is responsible for supervising the association's financial operations and submitting prescribed financial reports. However as followed from this Member State's input this supervision is conducted very rarely.

In several Member States there is a fixed term to clarify deficiencies or supplement reports with additional information, the shortest term is 10 days. However, there are also examples in which the term is established on case-by-case basis, depending on the complexity of the required clarification. One Member State noted that transparency reports which had already been published cannot be rectified. Similar situation occurs in another Member State. That Member State noted that in case the explanations provided by the CMO following the previous request for clarification still do not dispel the supervisory authority's concerns, such CMOs is not obliged to rectify current report.

In some of the Member States there is an administrative procedure aimed to ensure compliance of transparency report with specific regulation. The term for compliance with supervision authority's request might be up to 6 months.

III.4. What instances of non-compliance with applicable legal provisions by CMOs have been observed in your Member State? How is information about these instances (violations) gathered? What types of sanctions are most commonly applied? Which sanctions have proven to be the most effective?

Some Member States observed various instances of non-compliance with applicable legal provisions among which the most common were:

1) an inefficient distribution of a remuneration to the entitled right holders (including not taking sufficient measures to identify and locate those right holders).

2) unjustifiably high deductions on operational costs.

3) unjustifiably high deductions on social, educational and cultural purposes.

4) a failure to meet the deadlines for providing to the supervisory authority specific documents such as annual reports.

5) discrepancies between information published on the CMOs' websites and information included in their internal documents.

Other examples of non-compliance with applicable legal provisions observed by the Member States referred to: ambiguities in published tariffs or not publishing such tariffs at all, membership requirements, appropriate mechanisms for the participation of members and entitled persons in the decision-making process of CMOs, compulsory administration of rights, the obligation that licensing terms shall be based on objective and non-discriminatory criteria and that tariffs shall be reasonable in relation to the economic value of the use of the rights, not-providing information to the right holders and foreign CMOs at least once a year; violation of reporting obligations imposed on users.

It is worth mentioning that several Member States shared that they didn't observe any cases of CMOs' non-compliance with relevant provisions. Some other Member States claimed that the cases of non-compliance with legal provisions were quite rare.

Usually, the supervisory authorities gather information on non-compliance with applicable legal provisions by CMOs either directly through their own actions such as analysing CMOs' documents, monitoring CMOs' websites, attending CMOs' meetings or indirectly through notifications of such violations coming from the right holders, users, other CMOs or other interested parties. One Member State in order to gather such information distributed questionnaire among its CMOs and obliged them to provide information on financial management of funds.

Usually list of sanctions which might be imposed on CMO includes of:

1) financial fines.

2) a temporal revoking of authorisation.

3) a permanent revoking of authorisation.

With reference to the financial fines, it is worth mentioning that they vary depending on the scale of violation and the fact whether a particular violation is repeatable. The number of financial sanctions also differ from one Member State to another; however, the lowest amount of sanction was 800 EUR while the highest was 880.000 EUR.

Many Member States informed that they had never imposed a sanction on CMO with applicable provisions. One Member State noted that once it temporarily revoked an authorisation of CMO. Another Member State put a fine of 100.000 EUR.

A lot of Member States agreed that in most of the cases warning of imposing a sanction is sufficient to ensure compliance of CMOs' activities. However, one Member State noted that temporarily revocation of authorisation was not efficient. Another Member State which has a specific sanction in its national framework, which consist in publication of the infringement in an official journal noted that this sanction is less effective that financial fines.

III.5. How has Article 12 of the CRM Directive, concerning deductions, been transposed into your national legal framework? What trends have you observed in relation to the operational costs of CMOs in your Member State, and what are the underlying causes?

Many Member States transposed Article 12 of the CRM Directive into their national laws directly, following the structure of the provision. Several Member States determined the maximum permitted percentage of operating cost in relation to the rights revenue. The percentage range between 15% and 20%. There is an obligation to justify any excess over the limit in the annual report of a CMO. In some Member States the maximum permitted percentage of deductions is decided annually by the general assembly of members of a CMO. A few Member States provided specific rules concerning deductions, e.g., one Member State introduced a so-called 'indicator of actual operating cost', which specifies that the CMO shall keep a record of the indicator of actual operating cost, calculated as a ratio, expressed as a percentage, for the current year and the previous year, including the calculation methodology. One Member State reported that in 2023 it transformed a cost standard of 15% into an individual cost standard, which is expected to meet the specific circumstances of CMOs more effectively.

Some Member States reported that the operating costs of CMOs are in principle high, however, a few respondents pointed out that they don't exceed 10% of the revenue of CMOs.

There were also voices noting that smaller CMOs have high operating costs. This may be caused, among other things, by the size of the managed repertoire and the ratio between the amount of necessary costs and amount of collected remuneration. Furthermore, newly authorized CMOs (new CMOs on the market) normally have higher operating costs than the ones that have been performing the activities of collective management of rights for a longer period of time, which can be ascribed

to either initial investments or newly authorized CMOs managing "residual" collective rights in a sector where the rights are normally managed individually.

A few Member States observed a decrease of operating costs of CMOs. According to one Member State, operating costs of CMOs have been constantly rising. The main reasons for that are inflation and impact of pandemic (until 2023, not now). Many Member States reported that they do not observe any specific trends in relation to the operating costs of CMOs.

Some CMOs are of the view that ensuring effective governance structures is best way to reduce operating costs, alongside targeted investments in people, technologies and services.

One Member State highlighted that CMOs sometimes collect amounts on behalf of another CMO, which result in an accumulation of management costs that the beneficiaries do not see (no information about it in the annual report or invoices).

III.6. Are there any advisory or supporting bodies in your Member State that assist the supervisory authority in its functions? If so, what is the scope of these bodies' responsibilities, and their structure?

While in most cases there are no advisory or consulting bodies assisting the supervising authority, nevertheless, their presence was mentioned by some Member States. Those bodies (committees, commissions, boards) are responsible for one or more of the following tasks:

1) dispute resolution/ mediation/ arbitration.

2) tariff setting.

3) protection of intellectual property rights.

4) advisory services, e.g., providing recommendations to the minister on the functioning of current legislation and further need for its improvement.

5) monitoring and evaluation of the development of collective copyright and related rights practices, promoting best practices and providing recommendations on industry procedures and standards.

One Member State reported that members of specialised statutory expert body are representatives of academia, practitioners and experienced mediators, while any technical support is provided by the

Ministry of Culture. Another Member State pointed out that the members of a body are appointed by ministerial decree and serve for a four-year term.

Some Member States presented examples of cooperation between the supervisory authority and other state bodies, e.g.:

1) in case of suspicion for an abuse of dominant position or unfair competition by a CMO (e.g., when a CMO sets the tariff), the supervisory authority can cooperate with the Antimonopoly Office.

2) insofar as a CMO is performing activities as a professional association and is funded from public sources, it is supervised by a state body responsible for management of finances from public sources.

3) cooperation with the Cultural Strategy, Planning and Assessment Bureau which is responsible for proposing the adoption or providing technical support for the adoption of legislative measures in the field of copyright, ensuring the representation of the member of the Government responsible for culture in international organizations and forums.

4) consultations with ministries, inspections, courts, state attorneys, etc.

III.7. In your view, is there a need to enhance the transparency of the data disclosed by CMOs to the public, rights holders or, where relevant, to supervisory authority?

Regarding that question, the votes were divided almost in half.

The Member States and stakeholders presented in their contribution's particular suggestions, how to increase the level of transparency of CMOs. They identified some problems and proposed specific measures which should be taken to resolve them, e.g.:

1) the data included in the annual transparency reports are not qualitatively consistent among CMOs managing the same rights over the same protected works or other subject-matter. The lack of consistency makes it impossible to compare such data with that provided by CMOs form other Member States operating in the same collective management sector. Therefore, stricter regulation at the EU level regarding the preparation of annual transparency reports is needed.

2) a lack of an EU-wide accounting standard, which would significantly enhance transparency and comparability between CMOs across Member States.

3) in some Member States there are multiple CMOs intermediating the same rights for the same categories of rights holders. In such situations it is crucial to have objective and shared parameters to determine the market share of each CMO.

4) financial data relevant with the management of rights provided to the supervisory authority as well as data regarding the repertoire provided to the public should be clearer and presented in a uniform manner.

5) CMOs should provide information regarding the managed repertoire to the public and especially to the users automatically and completely, rather than just on request and on specific rights holders and/or a subject matter. This approach could help to improve awareness of rights holders for various purposes such as negotiation on tariffs of CMOs, on expression of opt-outs in relation to the AI training, etc.

6) There is some information that is beyond the sight of CMOs' member, and which is necessary to properly inspect the management, e.g., the total remuneration of the staff responsible for day-to-day tasks, proceedings and sanctions against CMOs. Therefore, more transparency obligations are needed in this regard.

7) It would be worthwhile to discuss inclusion of the following data:

    - on sub-licences where a CMO trusts certain matters to another CMO or another body.

    - on the list of contracts or licences with major platforms.

8) A more elaborate transparency obligation regarding the use of the amounts deducted for the purposes of social, cultural and educational services is needed (Article 3(b) of the Annex to the CRM Directive).

9) It seems necessary to encourage CMO members to take responsibility by exercising the control powers available to them, e.g., to attend the general assembly of members. Some CMOs are aware of this problem and are taking steps to encourage their members to participate, such as remote voting.

However, about half of the respondents were of the view that there is no need for imposing more transparency obligations on CMOs, as the existing rules are sufficient. A few respondents reported that, thanks to the transposition of the CRM Directive into the national laws, the level of transparency of CMOs has been increased.

One Member State informed that its national legislation already contains more provisions on transparency of CMOs than the CRM Directive.

Some CMOs pointed out that the adoption of additional rules on transparency could increase the internal workings and costs of CMOs. Others called for the framework to be simplified further, for example by abolishing the supervisory board provided for in the CRM Directive. According to one CMO, increased transparency obligations could limit the CMOs' possibilities for good commercial negotiations, especially since there already seems to be a large imbalance in negotiation power when it comes to the big technology companies.

According to another CMO, differences in national practices remain a challenge.

IV. Independent Management Entities – Old Question, New Paradigms?

IV.1. How many IMEs are operating in your Member State and in which sectors/for which repertoires? Are they subject to any further requirements beyond those stemming from the CRM Directive (e.g. notification, registration – please specify)?

Four Member States reported that no IMEs are operating or have been registered so far at their territory. In four Member States the number of IMEs is very small (one or two). One Member State noted that there are four IMEs operating at its territory while another Member State noted that there are seven IMEs operating in this MS. Two Members States noted that since there is no centralised registry of IMEs, they cannot provide answer for this question. It is also worth mentioning that two Members States informed that there are ongoing proceedings regarding the registration of the new IMEs.

IMEs predominantly operate on the music market however several IMEs operate in the audiovisual sector. One Member State mentioned that there is an IME which manages theatre rights (playwrights). Another Member State provided an example of IME which exercises independent rights management for a wide range of works including: musical works with or without text, literary works, dramatic works, musical dramatic works, choreographic works, pantomimic works, photographic works, audiovisual works, sound works, works of fine arts, works of architecture, works of applied art, cartographic works, computer programs, artistic performances of performers, phonograms and audiovisual fixations, radio and television broadcast and databases.

In accordance with art 2(4) of the CRM Directive IMEs are obliged to:

1) conduct negotiations for the licensing of rights in good faith.

2) provide specific information on the right holders and users.

3) make specific information public on their website.

However, several Member States introduces some additional requirements. The most common requirements for IMEs which stand beyond the CRM Directive are notification and registration. Two Member States listed documents and information which must be provided by the entity in order to receive a permission to operate as an IME.

These include:

1) the deed or founding document.
2) the articles of association.
3) the certificate from the register office.
4) a sample contract typically used to enter into binding agreements with right holders or their representatives.
5) a standard user licensing agreement.
6) tax identification data.
7) the website URL.
8) communication details which include its address,
9) the registered office and legal representative,
10) the list of the rightsholders whom it represents and their respective works or subject matters of protection, as well as the type of management to which it proceeds,

Two Member States distinguish requirements which must be met by IMEs depending on whether the IME has its residence or principal place of establishment in this Member State or in the other EU Member States. First of those Member States explained that in the first case previous authorisation by competent authority is needed while in the second case no authorisation is required, and such IME only has to notify its willingness to operate in this Member State. The other of the abovementioned Member States explained that authorisation is required both in relation to the entities which are established in this Member State and in another EU Member State. However, the list of the documents which are required to receive an authorisation differs.

One Member State informed that IMEs operating at its territory have reporting obligations similar to the ones which are imposed on CMOs. However, those requirements are less strict. Several Member States have a centralized register of IMEs while others do not. Several Member States indicated that in some cases it is difficult to establish whether a particular entity meets the requirements imposed on IMEs by their national law. Several Member States don’t have a centralized registry of IMEs while others do.

It is worth mentioning that recently (in 2024) one Member State examined the possibility of imposing an obligation to register on IMEs. The conclusion of this analysis was that such requirement could be introduced if a competent national authority decided that way.

IV.2. Are there any challenges concerning the operation of IMEs, in terms of competition with CMOs and entry on the market in your Member State (and what are such challenges)?

One of the most frequently mentioned challenges by respondents which arise from the existence of both CMOs and IMEs on the same market are the stricter requirements of the former. Several Member States noted that since IMEs don't have such strict obligations with a regard to reporting, transparency, accountability and scrutiny as CMOs, they are perceived as being in a more favourable position. One CMO shared its observation of particular imbalance in the level of requirements imposed on CMOs and IMEs. Another aspect that puts CMOs in a less favourable position than IMEs are lower operational cost. This particular imbalance refers to obligation of representation which was only imposed on CMOs. In accordance with art. 14 of the CRM Directive collective management organisation does not discriminate against any right holder whose rights it manages under a representation agreement, in particular with respect to applicable tariffs, management fees, and the conditions for the collection of the rights revenue and distribution of amounts due to right holders. Same requirements were not imposed on IMEs. It results from abovementioned regulation that CMOs can't discriminate either against works which are commercially successful or those which are not. IMEs, however, can voluntarily shape their repertoire by choosing only profitable works. It causes higher financial obligations on CMOs such as collecting and distributing high amounts of remuneration for several successful works, and it is far less expensive than collecting small amounts for thousands of works. At the same time, it was emphasised that it is essential for European culture and diversity that this role of CMOs is undertaken.

Three Member States noted that IMEs offer lower fees in comparison to CMOs (even dumping prices). Moreover, two Member States mentioned that IMEs use false advertising which suggests that fees offered by CMOs are inflated.

One Member State as a challenge arising from the existence of both CMOs, and IMEs mentions overlapping of repertoires of CMOs and IMEs. This causes confusion among the users in relation to which of the abovementioned entities is entitled to collect remuneration for specific work.

However, there were also contrary viewpoints indicating that it is CMOs, which are in a more favourable position than IMEs. This relates to:

1) legacy structures and state backing.

2) bigger repertoire what is desirable by major users such us radio stations and streaming platforms.

3) areas where collective management by CMOs is mandatory.

Several Member States mentioned that while there are CMOs with their well-established position, extensive network and agreements in place, there are not enough incentives for IMEs to enter the market. They also noted that since the activities of IMEs are rather marginal, the existence of both CMOs and IMEs on the same market doesn't pose a challenge in terms of their competition.

IV.3. Have you encountered any challenges in classifying a particular entity as an IME?

On these questions, six Member States confirmed that they encountered challenges in classifying some entities as an IMEs. Some of those Member States shared examples of such difficulties. It is also worth mentioning that they rather focused on problems regarding IMEs in general rather than on particular examples. Four Member States noted that they didn't encounter any challenges, while the rest of the Member States didn't provide answer to this question.

Several Member States raised an issue of cross-border activities of particular IMEs. Those Member States noted that it is not clear whether IMEs which have their offices registered in another EU Member State, should be also perceived as an IME in the Member States in which they operate.

One Member State noted that sometimes it is difficult to distinguish whether the particular entity should be categorised as an IME. As an example of such difficulties this Member State mentioned the case of entities offering royalty-free collections of music for commercial use e.g. in restaurants or shopping malls, this example was not however explained in more details.

It was also mentioned that the absence of a centralised registry as well as a general definition of an IME in national legislation might cause difficulties in distinguishing between IMEs and other entities.

IV.4. What is your general view on the functioning of IMEs' infrastructure in your Member State?

Several Member States noted that they had not collected enough information up till then in order to have general views on that issue since there were no IMEs operating in those Member States or there were few of them. It was also emphasised by several Member States that the operation of the IMEs is relatively marginal, and their function is rather complementary than competitive to the CMOs. However, one Member State noticed that the role of IMEs on the market is growing.

Several Member States noted that IMEs in comparison to CMOs have fewer transparency requirements imposed upon them and lower degree of supervision. One Member State suggested that due to this factor as well as due to the relatively easy market entry this form of collective right management might not be a completely fair competition compared to CMOs. There was one voice however which stated that IMEs perceived that CMOs were abusing their dominant position it was not however further elaborated.

It was also noted by one Member State that while observing how regulations regarding IMEs work in practice it might be useful to consider more rigid regulatory framework in relation to IMEs.

IV.5. In response to technological advancements, are new IMEs models emerging, such as those offering specialized datasets for the training of AI models?

None of the Member States had information on IMEs offering specialised datasets for training of AI models, however several Member States shared some additional views regarding this question.

One Member State noted that while there are no IMEs specialised in offering datasets for training AI models there are other entities and institutions which offer data for such a purpose.

Another Member State mentioned that new IMEs models are still in the conceptual or early developmental phase, but as AI policy evolves, there will likely be growing pressure and opportunity for IMEs to adapt or for new entities to emerge with specialized infrastructure for AI-related rights management.

One Member State shared the opinion of one the CMOs operating at its territory which suggested that there were entities which offered specialised datasets, however it is unclear whether such entities might be considered IMEs.

There was also one Member State which noted that there were companies offering music presented as entirely generated by AI and acquired from AI service providers. However, no CMOs specialising in offering data for training AI models have been identified in that Member State.

IV.6. How do the competent authorities in your Member State fulfil their monitoring obligations with regard to IMEs, as stipulated in Article 36 of the CRM Directive?

Several Member States noted that supervision over IMEs is similar to the one concerning CMOs. However, in one Member State supervision over IMEs follows the same procedures which were adopted for CMOs.

The Member States listed following measures taken in order to examine compliance of IMSs' activities with national regulations:

1) requests to provide specific information.
2) examination of IMEs' operations.
3) examination of IMEs' financial management.
4) examination of IMEs' documents and their compliance with the applicable law.
5) ordering to discontinue unlawful activities.
6) ordering to restore lawful operations.
7) issue a warning to IMEs for breaching its obligations.
8) imposing a fine up to 50 000 EUR (if IME doesn't respond to the warning).
9) prohibiting continuation of IME's business operations (if IME doesn't respond to the warning).

Two Member States informed that apart from undertaking actions against IMEs in the response to the complaint made by interest party they also monitor IMEs' compliance with the national regulation annually.

One Member State noted that it uses different procedures for supervising IMEs depending on the national state in which the particular IME has its permanent establishment. For the same reason the

legal provisions which might be violated depend on the permanent establishment of the particular IME. In some cases, with regards to the IME with the permanent establishment in another EU Member State, the supervisory authority may forward all relevant information to the competent authority of the Member State in which that IME has established its permanent establishment and, if applicable, request that this authority to take appropriate measures within its competencies.

One Member State clearly stated that in most cases actions undertaken by the supervisory authority have been effective.

List of surveys, studies or research cited by delegations and stakeholders in their contributions

1. Annual report of the current trends of the Hungarian music industry (2023) prepared by ProArt – the umbrella organization of some of the CMOs in Hungary – https://www.zeneipar.info/

2. "Bargaining in the Shadow of the Press Publishers' Right" – https://eprints.gla.ac.uk/324374/1/324374.pdf

3. Streams & Dreams – The Impact of the DSM Directive on EU Artists and Musicians (2024, International Artist Organisation)

4. "The Principle of Appropriate and Proportionate Remuneration for Authors and Performers in Art.18 Copyright in the Digital Single Market Directive: Statutory residual remuneration rights for its effective national implementation" – https://indret.com/wp-content/uploads/2020/10/1591.pdf

5. Author Remuneration in the Streaming Age – Exploitation Rights and Fair Remuneration Rules in the EU (2024)

6. Study on the Artists in the Digital Music Marketplace: economic and legal considerations (2021, WIPO)

7. Music Creators' Earnings in the Digital Era – a market study by the UK Intellectual Property Office

8. "Giants with Feet of Clay: The Sustainability of the Business Models in Music Streaming Services" – https://revista.profesionaldelainformacion.com/index.php/EPI/article/view/86906/63226

9. "AI Challenges in the Era of Music Streaming: An Analysis from the Perspective of Creative Artists and Performers" – https://rua.ua.es/dspace/bitstream/10045/144419/5/ReMedCom_15_02_17_EN.pdf

10. Polaris Nordic Survey "Digital Music in the Nordics" –

https://koda.dk/pdf/polaris-nordic-digital-music-in-the-nordics-2024

11. Koda's Gender Statistics – a report highlighting gender distribution and representation within the music industry, focusing on the participation and success rates of different genders in the digital music space –

    https://koda.dk/en/about-koda/news/kodas-gender-statistics-everyone-needs-to-take-responsibility

12. Report from the Danish Government's Expert Group on Big Tech - Theme no. 3, discusses the development and use of AI by big tech companies, including the implications for CMOs –
    https://www.em.dk/Media/638466069602286743/Recommendations%20on%20AI%20from%20the%20Danish%20Expert%20Group%20-%20Boundaries%20for%20big%20tech's%20development%20and%20use%20of%20AI.pdf
    (see page 21 onwards)

13. Report on AI Model Providers' Training Data Transparency and Enforcement of Copyrights prepared by The Danish Rights Alliance – https://rettighedsalliancen.dk/wp-content/uploads/2024/09/Report-on-AI-model-providers-training-data-transparency-and-enforcement-of-copyrights.pdf

14. Guidelines for Danish Institutions and Companies on the Use of Copyrighted Content for AI Development prepared by The Danish Rights Alliance – https://rettighedsalliancen.dk/wp-content/uploads/2024/05/RA-vejledning-til-institutioner-og-virksomheder-om-udvikling-af-AI.pdf

15. Music and streaming market study by the English Competition and Markets Authority – https://www.gov.uk/cma-cases/music-and-streaming-market-study

16. Spotify's information page Loud & Clear, which is updated annually – https://loudandclear.byspotify.com/

17. Study on the place and role of authors and composers in the European music streaming market by GESAC (2022) –

    https://authorsocieties.eu/content/uploads/2022/09/keypoints-musicstreamingstudy.pdf

18. Study on online copyright infringement of visual works by individuals, freelancers and small non-profit organizations (“Online inbreuken in beeld: Online gebruik van niet gelicentieerd beeld door particulieren, zzp’ers en kleine verenigingen en stichtingen”) – https://www.tweedekamer.nl/kamerstukken/detail?id=2025D13566&did=2025D13566

19. 2022 GEMA study on music streaming – https://www.gema.de/en/news/streaming

20. GEMA/SACEM study on AI and music – https://www.gema.de/documents/d/guest/gema-sacem-goldmedia-ai-and-music-pdf

21. 2024 Bundestag (Parliament of the Federal Republic of Germany) study on participation of rightholders in the music streaming market – https://www.bundestag.de/resource/blob/993166/82362820da49864607fc6dd4a015875a/WD-10-050-23-pdf.pdf

22. 2025 German Federal Commissioner for Culture and Media study on remuneration in the German music streaming market – https://kulturstaatsminister.de/fileadmin/user_upload/Downloads/Pressemitteilungen/2 025-02-10-streaming-studie.pdf

23. Market analysis of journalistic online platforms on behalf of state media authorities – https://www.die-medienanstalten.de/service/studien-gutachten/news-aggregatoren/

24. Study on the economic impact of Generative AI in the Music and Audiovisual Industries by CISAC (2024) –

    https://www.cisac.org/Newsroom/news-releases/global-economic-study-shows-human-creators-future-risk-generative-ai

25. AI and Music. Market development of AI in the Music Sector and Impact on Music Creators in Australia and New Zealand (2024)

    https://assets.apraamcos.com.au/images/PDFs/AI-and-Music-by-Goldmedia-for-APRA-AMCOS_FINAL.pdf

Contribution of the Copyright Infrastructure Task Force (CITF) to the Policy questionnaire on the Challenges facing Collective Management Organizations in the EU Member States

The **Copyright Infrastructure Task Force** (CITF) values the opportunity to provide comments to the Policy questionnaire on the Challenges facing Collective Management Organizations in the EU Member States.

Copyright Infrastructure Task Force was formed out of four "founding" Member States Estonia, Finland, Latvia, and Lithuania in 2023. Currently the CITF covers participants from 17 EU and EFTA Member States (Belgium, Czechia, France, Germany, Hungary, Italy, Spain, Greece, Sweden (IP Office), Romania + Norway and Iceland). The task force meets once a month online under the leadership of Finland. Philippe Rixhon (Valunode) has participated as technical expert and consultant in the work. The CITF is an informal network of experts that does not represent any formal opinion of any participating Member State. The CITF pursues to act as a forum to promote interoperability, trustworthiness and machine-readability of copyright data, *i.e.* the open rights data framework (ORDF). The Commission has been observing and supporting the process since 2022. The CITF co-operates with each Presidency, currently with the Polish Presidency, to enable exchanges relating to the need to develop the copyright infrastructure and to find best ways to impact the future work plan of the new Commission. The First Project of the CITF will be presented on 16 June in Brussels.

Considerations of the questions that are relevant from CITF's point of view:

I. Challenges of AI to the Collective Management Ecosystem in the EU Use of AI-powered technologies to assist the CMOs' daily functions

1. Do CMOs in your Member State utilize AI services or blockchain technologies? If so, for what purposes?

Some CMO's use AI services to support customer service but some has also started to use them for repertoire matching and usage identification. Some CMO's have also participated in pilots using blockchain. The CITF considers that it would be important for CMO's to promote needed development of IT infrastructure that relate to interoperable and trustworthy copyright data.

2. ***Do CMOs in your Member State have mechanisms in place to determine whether a work submitted by a rights holder to the CMO has been AI-assisted or AI-generated? If such determination is positive, what consequences does it have, e.g., on remuneration calculation and its distribution?***

In the CITF's understanding this matter has not been extensively determined in the CMOs but the challenge is considerable. One difficulty is that the customers (creators, performers) of CMOs can register names of works or other protected subject matter they have created without attaching anything else than "name, genre and length". No comprehensive collection of metadata on works takes place of works that are registered at the CMOs. Some CMOs have technological solutions in place to identify AI-generated outputs and guidelines for the registration of works created with the assistance of AI. It is unclear how CMOs identify their customers when registering as a creator in a CMO. Users of works (clients) are sometimes identified with multi-factor-authentication.

CITF First project relate to information on use of works (opt out/ opt in) and traceability. Identification of AI-assisted and AI generated content requires a combination of technologies but also respect of rights management information (metadata). CITF will continue with its use case activity towards use cases on transparency in the next phase and in this sense, it would be very important to include CMOs in the preparations of the use case.

The EU AI act sets obligations to AI model providers to label AI assisted output. In CMO's labelling is seen as way to distinguish between AI-generated works and other works. No legislation requires CMOs to mark works that are protected by copyright, however the CRM directive refers in several articles to industry standards that need to be respected by CMOs.

3. ***Do CMOs in your Member State license works of the rights holders they represent for the purpose of training AI models? If so, do they encounter any specific challenges, e.g. related to the expression or identification of the TDM rights reservation? In your view, what measures could assist CMOs in licensing large collections of content for the purpose of training AI models?***

The CITF develops use cases that support trustworthy and interoperable copyright data. It works on the semantic level and does not take a stand on either legislative or licensing issues. When industries develop licensing schemes, they can benefit from commonly agreed sets of identifies and metadata and build licensing systems based on them. One aspect is to provide more options for creators to manage their IP. One important aspect is the ability to recognize the acceptable uses of works such as use based on exceptions. CMOs should not provide licenses that cover use that is allowed based on an exception.

It highly recommended for CMOs to use standard identifiers, such as ISNI and ISCC and to be able to distribute remunerations to the rightful recipients, also when they are not represented by the organizations. The CRM directive also requires that the CMO to recognize the rights that it represents. If rightsholders have not reserved their rights, the CMOs cannot offer licenses, as the use would be allowed based on the exception, if the conditions required by law are met. Some CMOs maintain that machine-readable opt-outs could help counter these challenges.

However, new machine-readable methods of opting out need to be developed fast because the vast majority of the rightsholders want to be remunerated for the use of their works as training material for the LLMs.

The CITF's use cases could inform CMOs on how to ensure that correct recipients receive remuneration that they have collected. Starting to use verified credentials require that a governance structure be adopted for trusted copyright data. Such trust framework is based on unambiguous identification of who is who and what is what, i.e. a gradual adoption of the open rights data framework, in each sector based on use cases and co-operation with all relevant stakeholders.

4. ***How do CMOs in your Member State, in accordance with the principles established in Article 16 of the CRM Directive, assess the value of content licensed for AI training (considering that in this specific context an individual work may be considered to not have significant market value, but a collection of such works might)?***

The CITF's use cases aims at supporting the building of large language models for instance on minority languages, in a way that respects both GDPR and copyright law as part of liaising with the ALT EDIC.

Promotion of large datasets of high quality is necessary for the purpose is training of European AI for public good, like base models for small languages and keeping data sovereignty in expression of information in a specific national language.

II. Collective Management Organizations and the Relationship with Online Platforms and Other Online Players

1. Which CMOs in your Member State have experience in utilizing blockchain technology to support the use of digital tools? Are any changes in this regard planned?

Some CMOs may have conducted pilot projects using blockchain. The CITF will use decentralized technology (ESBI) in its AI use case following from the First Project and it could also involve one of more of the CMOs that have already pilots of their own from before.

2. In your opinion, are new technologies reshaping the operational model or giving rise to new business models of CMOs? For instance, how is the role of CMOs evolving in relation to music or audiovisual streaming platforms, multi-territorial music licensing hubs, online intermediaries, or any other category of online platform?

CMOs are aware of the new technological landscape, and the ways in which AI advancements will further the digital landscape and the complexity of metadata. The CITF could liaise with use cases conducted by CISAC or GESAC to assist in defining technical requirements relating to metadata sets relevant for collective management in various instances.