



EUROPEAN COMMISSION

PRESS RELEASE

Brussels, 31 January 2013

Mediation on private copying and reprography levies: António Vitorino presents his Recommendations to Commissioner Barnier

The mediation process on private copying and reprography levies has concluded with the presentation today of the Mediator's Recommendations to Commissioner Barnier. António Vitorino, former European Commissioner for Justice and Home Affairs, who was entrusted with this task by the Internal Market Commissioner, recommends two main streams of action. First, Mr Vitorino proposes to foster increased reliance on licences and contractual arrangements as the best way to ensure that right holders are properly remunerated for their creative efforts and investments. In addition, he recommends measures aimed at reconciling disparate national levy systems within the Single Market.

António Vitorino said "I arrived at my recommendations following thorough consideration of all the arguments put forward by the stakeholders in the mediation process as well as on the case law of the Court of Justice of the European Union with the aim of facilitating and advancing future discussions as much as possible. The final aim, in my view, should be twofold: to foster tailor-made licensing agreements which allow creators to be remunerated directly, and to reconcile the existing, diverging national levy systems and the principles of the Internal Market. I am also convinced that levy systems must be transparent, more understandable and legitimate for consumers and all concerned operators alike."

Internal Market and Services Commissioner Michel Barnier said "I am very grateful to António Vitorino for accepting this difficult mission and for carrying it out in such a smooth and constructive manner. His recommendations will constitute an essential contribution towards progress in this difficult matter, and will feed into the process on content in the Digital Single Market launched in December. Our objective is to achieve a well-functioning Digital Single Market and to enable new business models to thrive and meet changing consumer expectations and preferences. Copyright law and licensing practices need to remain fit for the 21st century. I will make sure that António Vitorino's recommendations are taken into account in any further steps to be taken regarding private copying and reprography levies, and in particular in the on-going review of the EU copyright framework."

The first part of Mr Vitorino's recommendations relates to new business models and refers to the need to clarify that copies that are made by end-users for private purposes in the context of a service that has been licensed do not cause any harm that would require additional remuneration in the form of levies.

The second part of the Recommendations focuses on how to improve the functioning of levy systems in order to reconcile them with the free movement of goods and services in the Single Market. Mr Vitorino recommends to:

- Collect levies in cross-border transactions in the Member State in which the final customer resides;
- Shift the liability to pay levies from manufacturers and importers to retailers provided that the tariff systems are simplified and that manufacturers and importers are obliged to inform collecting societies about their transactions concerning goods subject to a levy; or, alternatively, establish clear and predictable *ex ante* exemption schemes for those operators that should in principle not bear liability ;
- Place more emphasis, in the field of reprography, on operator levies than on hardware-based levies;
- Make levies visible for the final consumer;
- Ensure greater consistency with regard to the process of setting levies, notably by defining "harm" (i.e. caused to right holders by acts of copying made by virtue of the private copying and reprography exceptions) uniformly across the EU and by simplifying the procedural framework in which levies are set, guaranteeing its objectiveness and ensuring the observance of strict time-limits.

Background:

Right holders have an exclusive right to authorise or prohibit the reproduction of their works (e.g. books, music, films) and other protected subject matter (e.g. phonograms, broadcasts). Pursuant to [Directive 29/2001/EC](#) Member States may provide for exceptions to this right. The private copying and reprography exceptions are two of them. Right holders must receive fair compensation when their work or other protected subject matter is copied by virtue of these exceptions. Member States often provide for fair compensation by imposing levies on goods that are typically used to produce or store copies (such as blank DVDs, recording equipment, MP3 players, copy machines, etc.). In 2010, the overall amount of private copying levies collected in the EU amounted to more than € 600 million.

Significant differences exist between Member States' levy systems, in particular with regard to the products subject to a levy, and to the level of tariffs. These differences affect the smooth functioning of the Single Market. For example, in 2010 a blank DVD was subject to a levy of € 1.00 in France, € 0.48 in Denmark, € 0.0139 in Germany, 2.5 % of the sales price in Poland and 6% of the import price in Lithuania. In the same year, an MP3-Player was subject to a levy of € 1.00-20.00 (depending on the capacity) in France, was not levied at all in Denmark, € 5.00 in Germany, 3% of the sales price in Poland and € 0.43-11.58 (depending on capacity) in Lithuania. A mobile phone with an internal memory of 32 GB was subject to a levy of € 36.00 in Germany (provided it was equipped with a touch screen), € 18.00 in Hungary, € 10.00 in France, € 4.34 in Lithuania, € 0.9 in Italy and 0.5% of its sales price in Romania.

In its [Communication of 24 May 2011](#) on a single market for intellectual property the Commission identified private copying and reprography levies as one of the areas requiring further action. In November 2011, Internal Market and Services Commissioner Michel Barnier [entrusted](#) António Vitorino, former Commissioner for Justice and Internal Affairs, with the task of presiding over a stakeholder dialogue on levies. In April 2012 Mr Vitorino [announced his objectives](#) and invited stakeholders to send written contributions. The stakeholder dialogue that followed involved all the key stakeholders representing consumers, right holders, collecting societies, the ICT industry and SMEs. The dialogue ended in autumn 2012.

More information

http://ec.europa.eu/internal_market/copyright/levy_reform/index_en.htm

[IP/12/1394](#) - Copyright: Commission urges industry to deliver innovative solutions for greater access to online content

Contacts :

[Stefaan De Rynck](#) (+32 2 296 34 21)

[Carmel Dunne](#) (+32 2 299 88 94)

[Audrey Augier](#) (+32 2 297 16 07)