

Briefing note:

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The success of private copy remuneration schemes in France on arts and cultural funding

An introduction to private copying schemes

The proposal for the Smart Fund builds on models of private copy remuneration schemes that operate currently in 45 countries around the world, generating over £900 million a year for creators and performers. The Smart Fund would remunerate a wide range of artists, writers, performers and other creative workers when their works are copied and stored on digital devices, **at no cost to the government, the taxpayer or consumers.**

Private copy schemes originated in Germany in 1965 in response to the development of copying devices like tapes and cassette recorders, as a system that would fill the remuneration gap when music could be recorded onto blank tapes. This problem has been exacerbated as more people engage with culture through digital devices, which is now where the majority of private copy remuneration derives from.

A YouGov survey in 2022 highlighted that **81% of people think that accessing culture (music, art, books, films, images, podcasts, and TV) through a digital device is important in their daily lives.**

A key aspect of most private copy remuneration schemes is for the creator to relinquish a portion of their royalties to invest in social, cultural or educational funding. This principle of fairness is deep-rooted in existing schemes, and has contributed to cultural funding in the countries that make these so-called 'social and cultural deductions'. **This briefing has been prepared to highlight the successful impact the scheme has had in France, and how the model could be built on in the UK.**

Administering La Copie Privée: France's private copy remuneration scheme

How is it administered?

The French private copy remuneration scheme is administered by Copie France, a collective management organisation responsible for collecting the levy. Copie France operates under the 'French Intellectual Property Code', which establishes the legal framework for private copying levies in France.

The organisation determines which devices are subject to the private copying levy and sets the rate. The 24 members include 12 rights holders representatives, six members representing manufacturers and importers, and six members representing consumers.

La Copie Privée allows individuals to make copies of copyrighted works for personal use without seeking permission from rights holders. In exchange, a levy is applied by Copie France to storage devices and media that can be used for copying, such as CDs, DVDs, USB drives, memory cards, external hard drives, smartphones and tablets.

Copie France's most recent Transparency and Activity Report from 2022 highlighted the results of La Copie Privée's scheme:

- €285.5million collected in 2022
- €212.3million redistributed to rights holders
- €70.7million allocated to cultural support

The levies imposed by Copie France on different devices such as smartphones, tablets and external hard drives depend on usage patterns, for which reports which are updated annually, capacity to store copyrighted content and advances in technology.

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What devices does the levy cover?

The private copying levy in France is mainly generated by the smartphone market. Copie France's Transparency and Activity Report 2022 highlights that smartphones are the largest device captured by the levy, accounting for a **market share of 53% for collections by device type**. The report highlighted that:

- **15,299,684 new smartphones were captured by the levy in France.¹**
- **This is compared with 3.5 million tablets and 2.2 million laptops.**
- The average levy on smartphones was **€12.78**.
- The manufacturers mainly impacted by the levy in France include manufacturers **Samsung, Apple, Lenovo, Logicom and Archos**.

How is the Levy distributed

The distribution of collected amounts is carried out according to the following principles:

1. The amounts collected are first distributed among authors, performers, producers.
2. Within each college, the amounts are then distributed among the member societies as defined in Copie France's statutes.
3. Finally, each member society is responsible for distributing the amounts it receives to its own members (authors, performers, or producers) according to its own distribution rules.

No evidence in Europe of levies affecting consumers via price rises

Analysis by Frontier Economics, commissioned by DACS, examined average device prices across Europe between 2008 and 2021, to explore whether is any evidence of levies resulting in an increase to device prices and therefore impacting consumers.

Focusing on smartphones, laptops, and tablet devices, which represent the most important devices for private copy levies in these countries in revenue terms, the analysis contrasted average device prices to the per device levy tariffs in each country to explore the impact on the consumer.

The tariffs implemented as part of private copying schemes in Europe can differ widely even on the same device. For example, in 2022:

- The levy tariff on an iPhone 13 in France was €14 on a device sold for €909, equating to 1.5% of the device price.
- In the Netherlands, it was €7.30, equating to 0.8%.
- In Spain, it was €1.10, equating to 0.12%. This was over 10 times smaller than the French tariff.

However, even though tariffs were different across different countries in 2022, consumer prices were exactly the same.

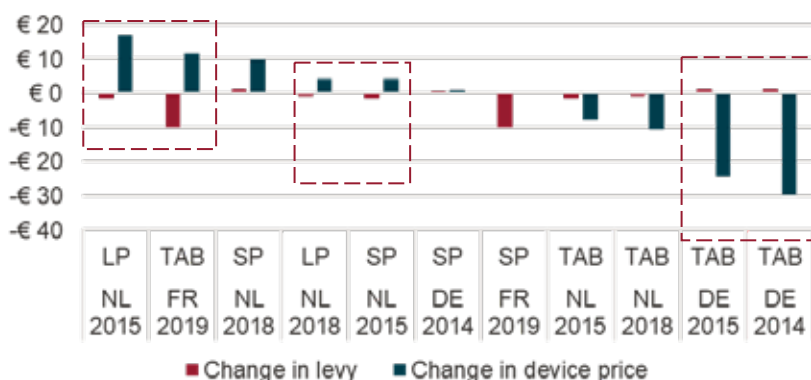
Country	Device price	Levy tariff	Levy as a % of price
France	€909	€14	1.5%
The Netherlands	€909	€7.3	0.8%
Spain	€909	€1.1	0.12%

Source: Frontier Analysis, Apple website accessed 27th September 2022, Copie France, de Thuiscope, Private copying Global study. Note: Prices are for an iPhone12 128GB accessed on the 27th September

¹ Rapport De Transparence Et D'activité – Copie France 2022, p.25 Copie-France-RAPPORT-22-DP_vdef_imprime.pdf

Focusing on the impact of private copy levies to electronic device prices, if there was pass-through from levy tariff to device price on to consumers, it would be expected that there would be higher device prices in countries with higher per device levies. **However, as the below graphic shows, Frontier's research found that when levies changed, there is no consistent pattern of changes in consumer prices. In some cases, the average device price decreased with a higher per device levy.**

Year-on-Year change in device prices and levies, for years where levies were changed in Germany (DE), Netherlands (NL), France (FR)



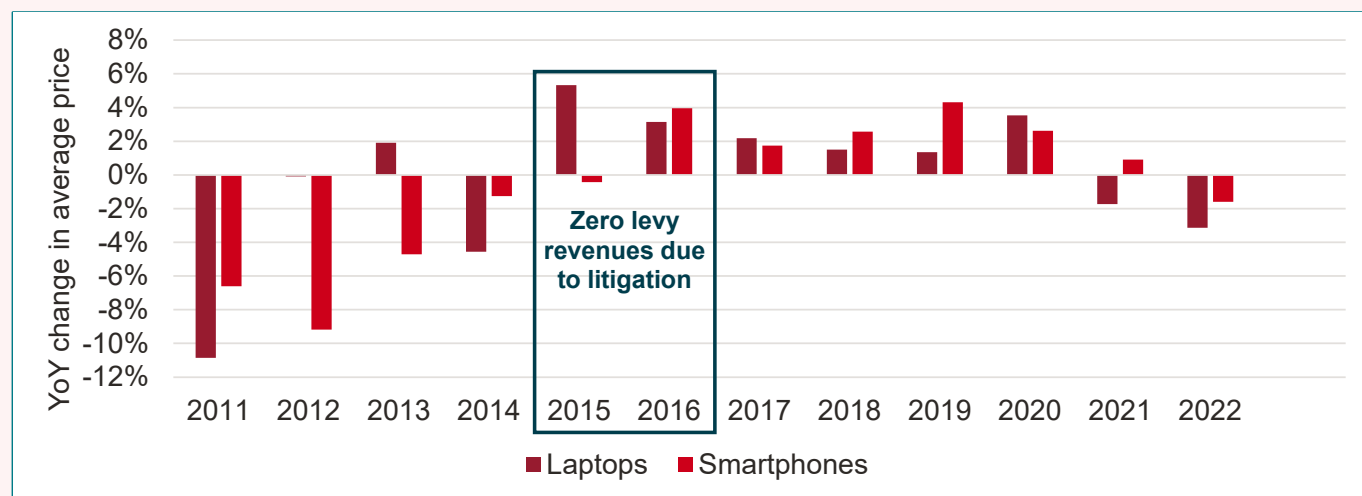
Source: Euromonitor data, Copie France, ZPÜ, SONT

Note: LP = Laptop, TAB = Tablet, SP = Smartphone

The analysis shows that:

- Device prices are not necessarily higher in countries that have higher per-device tariffs.
- Changes in private copy levy tariffs do not necessarily result in equivalent changes in device prices.
- There were some cases when device prices moved in the opposite direction to the levies, demonstrating that introductions of these levies would not burden the consumer.

Year-on-Year change in price for Spanish laptops and smartphones



In Spain, device prices actually rose when the levy was removed

A Spanish supreme court decision led to **zero levy revenue in Spain from 2015, effectively reducing the levy at this point**. During that time **Spanish device prices on laptops and smartphones in particular increased**, rather than fell.

In the years from 2011–2014 **before the levy was removed, consumer prices were actually decreasing significantly**.

In these years there was a more general trend of price increases across Europe, matching what was observed in Spain and **highlighting that the levy did not have a significant impact on costs of devices and therefore the consumer**.

In 2017, the Spanish government reinstated the private copying levy after a series of legal challenges and pressure from artists' associations aimed at ensuring fair compensation for creators.

A snapshot of La Copie Privée supported projects in one year



- In 2023 private copying levies generated almost €300 million.
- In 2023, over €73 million was spent on cultural funding derived from the private copy levy.
- Under French law, 25% of the remuneration collected is reserved to finance “actions to assist the creation, the dissemination of live performances, the development of arts and cultural education and training activities”.



The cultural funding is distributed by over 10 different copyright societies across all regions of France to ensure that funding benefits people engaging in all types of culture, whether film, music, theatre, comedy, visual and graphic arts, literature and so on. It provides support for artistic creation, the performing arts, artistic education and the training of artists.

It supports projects ranging from grassroots initiatives to independent film, exhibitions to major festivals and events. Between 2021 and 2024, social and cultural deductions have supported 30,540 projects.

The fund supported 12,422 projects in 2023 across all territories in France, including:

6,698

6,698 grants to aid the creation of new work. This includes films, documentaries, books, art, music, theatre and exhibitions

333

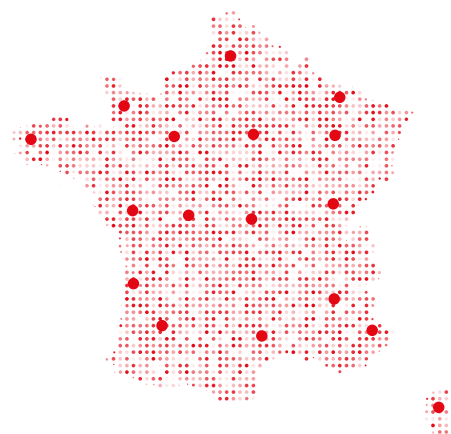
333 new training opportunities including formation of training organisations, master-classes, art schools and professional development in the arts

4,813

4,813 grants for live performances, including festivals, concerts, orchestras

578

578 arts and culture education projects, in particular for children and young people



Figures supplied by Les projets soutenus, Copie Privée: Des Projets Culturels Pour Tous – <https://www.copieprivee.org/copie-privee-les-projets-soutenus/>

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Impact on the visual arts sector in 2023: ADAGP Cultural Action Programme:

The Cultural Action Programme, managed by DACS' French counterpart ADAGP, allocates nearly €2.2 million annually to social and cultural funding for visual arts projects. It is primarily funded by fees collected for private copying.⁴ The grants covered:

- Direct aid to artists, including grants, prizes and residencies.
- Support for structures such as festivals, art fairs and exhibitions throughout France.
- Arts and cultural education: programmes aimed at audiences who have the least access to culture, including those in schools and young people.
- Vocational training and development for artists.

Grants range from €500 to €160,500 and support over 100 events each year. Grants are available for those in all disciplines of the visual arts (architecture, comics, digital creation, design, illustration, painting, photography, sculpture, street art video art, etc).

Financial support is subject to an award procedure, during which applications are examined by the Cultural Action Commission, composed of a dozen creative industry representatives who are appointed for three years. **French collective management organisations additionally prepare annual transparency reports** on the use of funds allocated to cultural activities to meet strong governance standards.

Breaking down barriers to opportunity and access to arts and culture

Need for fair remuneration and fair wages

The majority of creators in the UK are poorly paid and earn less than the minimum wage, relying on

a portfolio of earnings to sustain their career. Data from the British Equity Collecting Society (BECS) highlights that only **12% of audiovisual performers receive income from the use of their content on a digital platform** and have to subsidise their work through additional incomes from non-performing jobs.⁵

The research by BECS highlights that **69% of performers believe the value of initial fees they earn are decreasing, with 84% agreeing that the value of residuals and royalties that they receive under contracts is decreasing.**⁶

The success of Peaky Blinders creator Steven Knight's project in Birmingham in driving economic growth to provide funding is highlighted by the creation of more than 700 jobs following the development of a major new TV and film studio. **This highlights how fairly redistributing funding streams would overcome a significant barrier to opportunity and skill development in some regions by enabling fairer pay for creators and workers.**

Impact on consumers on the UK if a private copying scheme was introduced

- There is no equivalent private copying scheme in the UK as there is in Europe.
- **The Frontier Economics research found no evidence of impact on consumers from device price increases should such a scheme be introduced in the UK.**
- The Commons Culture, Media and Sport Committee has endorsed the proposal, **which could raise up to £300 million a year for creators and performers, and simultaneously provide more cultural funding, at no cost to the government, the taxpayer or consumers.**

Contact

For more information or any queries with the content of this briefing, please get in touch with the DACS communications team at: communications@dacs.org.uk

Visual artists (DACs and PICSEL), authors (ALCS), actors (BECS) and directors (Directors UK) collectively, represent over 175,000 creative workers.

⁴ Guiding principles of the Cultural Action programme, ADAGP <https://www.adagp.fr/en/support-artistic-creation/guiding-principles-cultural-action-program>

⁵ BECS and CREATe, UK Audiovisual Performers (2024): A survey of earnings and contracts, October 2024

⁶ Ibid.