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LATIN AMERICA AND THE CARIBBEAN NEWSLETTER

24% of Music Creator's Income could be Lost due to AI

Creators celebrate Brazilian Senate approves AI bill, but face upcoming struggle in Lower House

Legal Matters of Interest

Perspectives on Collective Management in Central America and the Caribbean

CISAC Provides Training on CISNET and Other Tools for Authors' Societies in Central America

In 2023, Latin America and the Caribbean Experienced the Highest Growth in Collections

Activities of the Regional Office

Societies in Action

By Dubraska Aguilar

According to a global CISAC study,

24% OF MUSIC CREATORS´ INCOME COULD BE LOST DUE TO AI

This figure represents this sector´s cumulative loss of 10 billion euros by 2028.

Despite the expected rapid growth of generative artificial intelligence providers, a global study by CISAC and PMP Strategy predicts a notable decline in the music and audiovisual industries over the next five years.

According to the findings, creators will face losses on two fronts if the regulatory framework remains unchanged. Firstly, they will lose income due to the unauthorized use of their works by generative AI models, which do not provide any compensation. Secondly, their traditional income sources may face threats as AI-generated products compete with those created by humans, resulting in a substitution effect.

AI vs. Creators

Given the current conditions, the penetration of AI into the market could jeopardize the income of music and audiovisual creators, as well as translators, dubbing and subtitling adapters, screenwriters, directors, and even journalists by 2028. Figures from the CISAC study highlight this concern:

Music: 24%
Audiovisual creators: 21%
Screenwriters: 15%
Directors: 20%
Translators and dubbing adapters: 56%

In contrast, the market for AI-generated music and audiovisual content will grow exponentially in the next five years, increasing from its current value of 3 billion euros to 64 billion euros in 2028.

This is due, among other factors, to an increase in passive consumption, where digital platforms recommend content to users instead of allowing them to choose it themselves.

Furthermore, these revenues are generated directly from the unauthorized reproduction of works, resulting in a transfer of economic value from creators to AI companies.

Impact on the music and audiovisual sectors

Highlights from the CISAC study show that artificial intelligence has many applications in the music industry, such as generating melodies, creating lyrics, composing, arranging, mixing and mastering, voice cloning, creating playlists, and making final recommendations for specific markets.

The audiovisual sector encompasses generating storyboards, visualizing scenarios, animations, special effects, video editing, color correction, translation and/or adaptation, final recommendations, and audience analysis. In this scenario, analysts estimate that these creator industries will lose 12 billion euros over the next five years, projecting an annual loss of 4.5 billion euros for 2028.

Other interesting data

- Approximately 15% of the 4.2 billion social media users (individuals and Companies/brands) are part of a creator economy that uses AI tools to produce personalized content.
- Music streaming platforms have favored the creator economy thanks to easier distribution for independents without needing a traditional record label.
- Music or audiovisual streaming platforms increasingly offer playlists or viewing recommendations tailored to moods and activities, increasing user engagement.
- The Spotify catalog already includes AI-generated music created and uploaded by third parties.

The complete study is available for download at www.cisac.org.

CREATORS CELEBRATE BRAZILIAN SENATE APPROVES AI BILL,

BUT FACE UPCOMING STRUGGLE IN LOWER HOUSE

Brazil´s Senate gave the green light to Bill 2,338/2023 on Tuesday, December 10, 2024, with broad approval from the creative sector. This legislative project seeks to establish a regulatory framework for artificial intelligence (AI) in Brazil to balance the development of AI with the protection of creators´ copyright.

While the news celebrates the Senate´s approval, it also anticipates the opposition the bill could face in the Lower House. This indicates that the legislative process is still underway and that the final approval of the law will depend on the outcome of the ongoing debate. The results of this legislative process will not only shape the future of AI in Brazil but could also have substantial implications for AI regulation worldwide.

The special committee issued several key points, which can be summarized as follows:

Transparency in AI Development: The AI Law requires AI software developers to disclose the copyrighted materials used to train their systems.

Creation of a Regulatory Body: Brazil will establish a regulatory body for AI, providing an experimental platform where developers can negotiate payments with creators whose works are utilized in training their models.

Protection of Copyright: Creators have the right to prohibit the use of their works for AI training. Alternatively, they can authorize the use of their works through direct contracts with AI companies or collective management organizations such as UBC.

Fair Remuneration: Creators´ compensation will take into account the size of the AI company, the frequency with which protected materials are used in machine-generated content, and the potential competition that these AI-generated products may pose to human Creators.

In Brasilia, there is currently no clear timeline for the bill´s approval in the Lower House. If approved, the bill will be sent to President Luiz Inácio Lula da Silva for enactment. Most of the provisions will take effect 730 days (two years) after their publication. However, the regulations concerning generative and general-purpose AI systems, prohibited applications and copyright protections will come into effect 180 days after the law is published.

CISAC. (2024, 11 de diciembre). Creators celebrate Brazil's Senate approval of AI bill but prepare for tougher battle in the Lower House. https://www.cisac.org/Newsroom/society-news/creators-celebrate-brazils-senate-approval-ai-bill-prepare-tougher-battle

Marcelo Castello Branco

Executive Director or UBC

"This victory in the Senate, though partial, marks the beginning of a responsible, modern regulatory framework that prioritizes transparency, fair compensation, and respect for creators' choices when they do not authorize the use of their protected works in the 'wild west' of AI".

Sydney Sanches

President of the Brazilian Institute Of Lawyers and an expert In Copyright Law

"The text preserves the rights of creators and artists in a Groundbreaking format worldwide. It guarantees the exercise of copyright, transparency, protection of image and voice, and fair remuneration. This regulatory framework will serve As an international reference."

Marina Sena

Representative of UBC

"No one here is opposed to artificial intelligence. We recognize it as a technology that also contributes to progress. However, we believe that if enterprises benefit from billions, they must take responsibility and compensate us for data mining our work and our lives — this applies to us and the entire Brazilian population."

LEGAL MATTERS

OF INTEREST

ARGENTINA: Bill 4989-D-2024 was introduced, which requires AI system providers to publicly share a detailed summary of the data used for IA training purposes.

The Executive Branch issued Decree 765/2024, modifying the Intellectual Property Law, thus redefining the concept of public communication.

CHILE: The Technology Transfer Bill advanced to the second constitutional stage. Among its provisions, it establishes a general legal assignment of patrimonial rights for works created in employment relationships and commissioned works.

EL SALVADOR: A new Intellectual Property Law is now in effect, requiring collective management societies to implement tariffs that provide a 50% discount for micro and small businesses.

PARAGUAY: Authorities issued Decree 2063, which modifies the Compensatory Remuneration for Private Copying, significantly reducing royalties.

DOMINICAN REPUBLIC: The Superior Administrative Court annulled several articles of SGACEDOM´s bylaws after some association members filed an administrative lawsuit.

Andean Court of Justice (TJCA): In ruling 27-IP-2020, the Tribunal determined that collective management entities can delegate their function of representing affiliates, both judicially and extrajudicially, to a third party, provided that this delegation is allowed in their bylaws or included in representation contracts.

PERSPECTIVES ON COLLECTIVE MANAGEMENT IN CENTRAL AMERICA AND THE CARIBBEAN

By Dubraska Aguilar

These countries not only share borders in most cases, but they also face a common reality regarding collective management. Local government support is needed, a culture of paying copyright fees is lacking, and the benefits of a one-stop shop for managing digital platforms exist as mutual factors for management societies in Central America and the Caribbean: SGACEDOM, ACAM, AEI, SPAC, AACIMH, ACDAM, and SACIM.

By closely examining each country´s legal realities and engaging directly with the directors or presidents of these entities, we can gain a more precise understanding of the particularities of local collective management.

Costa Rica:

Jimmy Bolaños

ACAM

General Director

"A Bill is being discussed that may exempt all general users from paying and recognizing copyright fees."

Since the introduction of this Bill, ACAM has effortlessly lobbied to halt its progress in the Legislative Assembly, as its approval would significantly harm the interests of creators.

One important effort made by the Costa Rican society is urging municipalities to require proper copyright licenses when acquiring or renewing commercial patents.

In 2024, ACAM´s management achieved a significant negotiation with Telecable and Kolbi, two of the top five subscription television providers.

The closing outlook for the previous year was conservative, given the Bill´s impact since then. ***"While we believe this proposal will not succeed, we foresee only a 10% increase in Revenue."***

In 2025, ACAM intends to license cinemas and conduct communication campaigns to Educate the public about copyright and the role of collective management societies.

Panamá:

Militza Pérez

SPAC

General Director

"Government support empowers the management of society."

As the government changes, as happened in 2024, uncertainty grips Panamanian society regarding the policies of the new national authorities. ***"In Panama, support for management Societies depends on the policy preferences of each copyright director."***

Notwithstanding the absence of a pay-for-use culture domestically, the society has secured licenses with over 1,500 general users, encompassing large enterprises such as airlines, cruise lines, and open or closed television broadcasting companies. ***"Our management also educates users about the presence of other related rightsholders, beyond musical ones, whom the Copyright Law protects."***

Like those in the rest of Latin America, the May elections influenced the paralysis of live events. As a result, the estimated revenue at the close of 2024 remained similar to the previous period (USD 3,200 million). Companies that sell tickets for shows established agreements that guarantee the inclusion of copyright fees on tickets for major events, along with a policy of transparent negotiation and open communication with users.

In 2025, they plan to regulate the collection of copyright fees in some provinces, renew theagreement with the Association of Radio Broadcasting of Panama, and focus on digital transmissions on radio and television.

Cuba:

René Hernández

ACDAM

Former General Director

"The country´s economic transformation impacts society´s management."

As in the rest of the economy, the Cuban reality also affects the operations of the collective management society for creators and performers.

The new Copyright Law, enacted in December 2023, grants additional protection to performing artists and establishes a legal presumption that the collective management society holds administrative authority over all literary and artistic works. ***"This allows society to manage music, performing arts, and audiovisuals, which is very positive."***

According to the new Law, collective management can exercise its powers as specified in its governing documents and enforce these powers in all types of proceedings. It is assumed that these powers have been conferred upon the collective management, directly or indirectly, by its members.

ACDAM signed approximately 500 contracts with the state sector and 800 with the private sector, allowing them to increase user licenses. Consequently, collections increased by 20% at the close of 2024 compared to 2023.

El Salvador:

Mirna Castañeda

SACIM

Executive President

"A new Law prioritizing user protection over author rights will take effect."

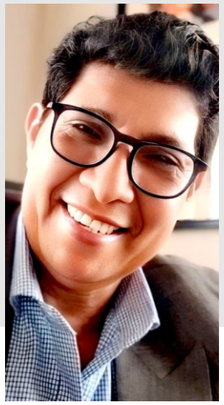
A new Intellectual Property Law regulating copyright in El Salvador will take effect in 2025.

The new Law contemplates a 50% reduction in small and medium-sized enterprises´ copyright fee payments starting from the approved rate.

Since its creation in 1980, the society estimates it will reach the first million dollars in collections this year, thanks in part to a direct negotiation it achieved with Netflix.

"While we acknowledge that we will need to adapt to the new Law, we also believe that users must comply with the oversight of the Intellectual Property Institute. This compliance aligns with the new Law, which grants the Institute powers that the national registry has always possessed but has not effectively enforced. Given the advantages that the business sector will gain, we expect the Institute to fulfill its responsibilities by requiring the appropriate licenses to use creative works."

In 2025, society´s main challenge will be navigating legal regulations and reaching´ agreements with the National Registry Center (Intellectual Property Institute), ***"with whom we will have to dialogue to steer the ship together."***



Honduras:

Andrés Ávila

AACIMH

General Director

"If the State realized how much it loses from uncollected copyright fees, the outcomewould be different."

Similar to El Salvador, Honduras enacted a Copyright and Related Rights Law in 2000; however, the regulators have yet to implement it.

This legislation challenges the entity when negotiating with large users, open television, and cable transmission companies, as they do not recognize the payment for intellectual property rights, including copyright and related rights. Despite facing challenges, their collection expectations have reached $1.2 million for 2024, primarily due to the Latinautor one-stop scheme, which licenses and collects royalties from digital platforms.

In 2025, the Honduran society will continue taking steps that have yielded positive results, such as training human resources in documentation, collection, and distribution, and judicializing companies that organize concerts along with defaulting users.

"Thanks to the Honduran Council of Private Enterprise, the Intellectual Property Directorate, and support from CISAC, we have been able to license not only small users but Also large users who generate the highest revenue from using our creators´ works."

Dominican Republic:

Valerio De León

SGACEDOM

President

"Now users view society differently; therefore, our collections have improved."

The president of the Dominican Society emphasized that government support from the National Copyright Office has helped creators. ***"We must educate the country´s users on the importance of paying copyright fees for national culture. That is why, since 2023, local authorities, senators, and deputies have actively participated in training workshops across the provinces, significantly enhancing society´s image and increasing our collections."***

SGACEDOM´s management estimated that, based on their user loyalty strategy, they increased collections by approximately 15% by the end of 2024 compared to 2023.

For this new year, the society plans to continue promoting a one-stop shop with performers and phonogram producers´ entities that simplifies procedures to enable users to obtain licenses through a single point of contact. The President of the Republic has also approved a new decree on private copying.

De León stated, ***"We seek vindication for our sector and are collaborating with the central government on a Music Law project to achieve greater dissemination of national music, along with a social security project for creators in general."***

Guatemala:

Margarita de Cáceres

AEI

General Director

"We do not accept members who use artificial intelligence in their work."

Like the rest of the region, artificial intelligence is impacting authors´ work through the unauthorized use of their works and the use of AI tools for creation.

Consequently, AEI mandates that members sign a sworn declaration for each work. ***"If they lie, the legal responsibility will fall on the author."***

The society has licensed over 5,000 general users and approximately 120 radio stations without relying on government support. By the end of 2024, it expected a 10% increase compared to 2023, primarily due to new agreements signed with radio stations and deals established with four open television channels.

As 2025 arrives, the society will focus on timely distribution and transparency within its ecosystem.

"The only challenge we have is charging users without licenses, and we do not require government support to achieve this."

CISAC

PROVIDES TRAINING ON CISNET AND OTHER TOOLS FOR AUTHORS' SOCIETIES IN CENTRAL AMERICA

By CISAC

On November 20, representatives from CISAC, Sylvain Piat, the Director of Business, and Miriam Orozco, the Membership Manager, conducted a training session in Santo Domingo. The session was aimed at authors´ societies from Central America and the Caribbean, and focused on the new version of CISNET, the Professional Rules for music societies, mandatory documents, and various other tools.

Technical and management staff from SPAC (Panama), ACAM (Costa Rica), SGACEDOM (Dominican Republic), AEI-Guatemala (Guatemala), AACIMH (Honduras), and SACIM (El Salvador) attended the training.

During this meeting with Central American societies, CISAC also organized an open conference on November 21. It addressed several issues related to copyright and collective management. These included the impact of Artificial Intelligence on creators´ rights, the legal and economic aspects of streaming, and the role of the National Copyright Office (ONDA) in collective management in the Dominican Republic.

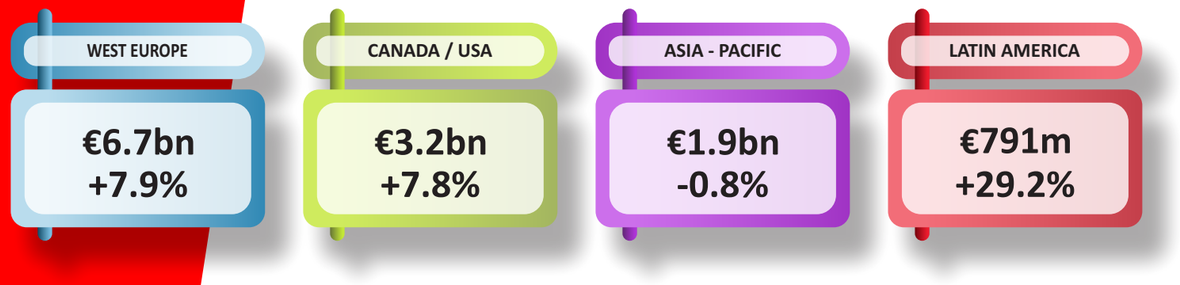
The event held two unique panels. The first panel featured representatives from the authors´ societies of Panama, Costa Rica, Honduras, El Salvador, Guatemala, and the Dominican Republic. They discussed topics such as licensing for large users, regional trends toward promotion through the private or public sectors, projects or laws concerning copyright Exceptions in favor of SMEs; Artificial Intelligence, and other relevant issues in these countries. The second panel, which included the local copyright and related rights societies SGACEDOM, SODAIE, and SODINPRO, debated the implementation of Private Copying in the country, whose regulations are pending approval by the President of the Republic.

Rafael Fariñas, the CISAC Regional Director; Valerio de León, President of SGACEDOM; and José Rubén Gonell, Director of the National Copyright Office (ONDA), led the opening sessions on both days. They emphasized the need to support collective management in the country and maintain a close relationship with copyright and related Rights management entities.

The next meeting will be in Panama City in 2025.

For the second year in a row

IN 2023, LATIN AMERICA AND THE CARIBBEAN EXPERIENCED THE HIGHEST GROWTH IN COLLECTIONS



By Dubraska Aguilar
Graphics©CISAC

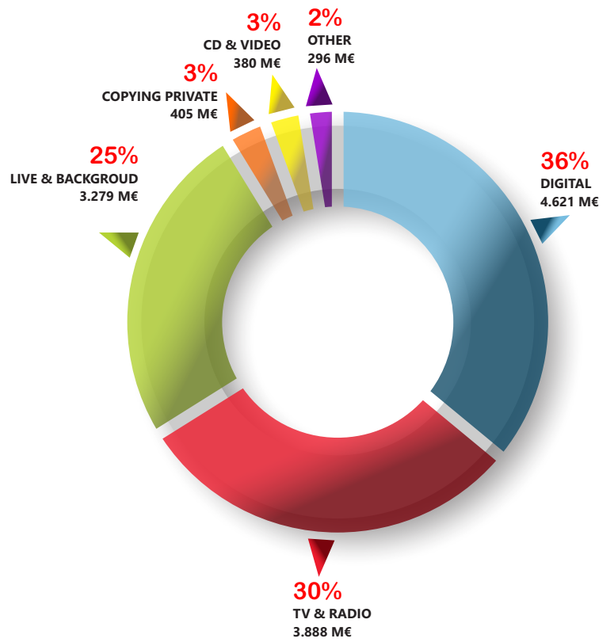
According to the latest CISAC report, the region saw a 29% increase in collections compared to 2022, primarily due to the rise in live concerts and public performances. The year 2023 indicated a clear trend of global changes in musical and audiovisual content consumption. Traditional channels such as open television and radio broadcasting are definitely losing market share to the overwhelming growth recorded by digital platforms, which now serve as the primary source of income for authors and composers.

The CISAC report for 2023 highlights a record increase in the global collection of rights for creators, rising by +7.6%, equivalent to 13.090 million euros. This reality is highly encouraging because of the growth across all repertoires and the positive performance in Latin America.

Supported by Mexico and Brazil´s strengths, the 59% increase in live concerts and public performances was decisive for Latin America´s boost. This allows it to position itself, for the second consecutive year, as the region with the greatest evolution in the last five years (+32.7%), followed by Canada-USA, which recorded +21.3%.

Worldwide, live concerts and public performances reached a record of €3.280 million, indicating a complete post-pandemic recovery.

GLOBAL MIX OF CREATORS´ INCOME STREAMS IN 2023 (EUR MILLON)



The evolution of collections in the dramatic and audiovisual repertoires shows further evidence that we have overcome this complex period, with an increase of +24.9% and +8.3%, respectively, over the last five years.

The power of the digital world

While streaming platforms may not be equally profitable for all creators, the report indicates that the digital sector accounted for 35% of total revenue in 2023, generating nearly 4.6 billion euros. Despite this growth in the digital industry, authors are not receiving the compensation they deserve.

One theory in economic rhetoric suggests that greater economic growth leads to better outcomes. However, in this context, it is evident that this growth does not equate to the payment of copyright.

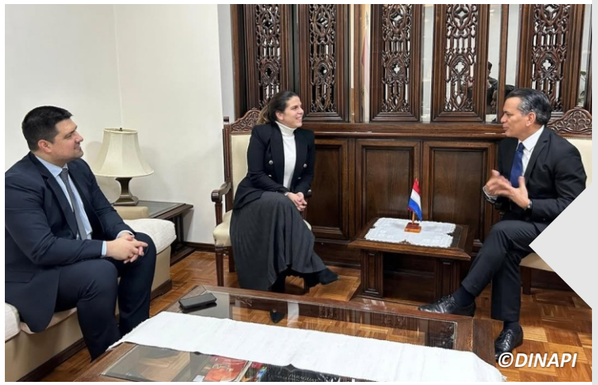
The reason? The buyout contracts still fail to acknowledge the actual economic benefits authors and composers should receive for using their works in the digital landscape, as reported in other volumes of this publication.

The CISAC report highlights a significant decline in the television and radio sectors. By 2013, these media accounted for 46% of the entity´ total collections, reflecting the amounts gathered from over 100 countries and territories that it represents.

The question is where copyright will go in the coming years. As leadership guru John Maxwell states, “Growth does not occur by accident but by choice.” Therefore, enhancing collection efforts by seizing every opportunity, building new government partnerships, and collaboratively improving our capacities to meet current technological demands appears to be the best path forward.

ACTIVITIES OF THE REGIONAL OFFICE

By CISAC



Visits and Meetings with Members

The regional office held face-to-face meetings with the **APA** society on the new decree regulating private copying in Paraguay; **SAYCO** on the market development project; and **SPAC** on support for collective management in Panama. In addition, **SGACEDOM** coordinated the training program for Central American societies and provided follow-up on the Private Copying Decree, which is awaiting approval from the President of the Republic. As a final point, **ACAM** coordinated matters related to the upcoming annual CISAC Latin American and the Caribbean Committee meeting and The Copyright Conference, which will be held in San Jose, Costa Rica, in April 2025.

Meetings with Copyright Offices and Other Authorities

The Regional Director held regional meetings with copyright offices in Paraguay, Colombia, Panama, and the Dominican Republic.

During discussions in **Paraguay**, we met with the director of SENADI and the director of copyright to address issues related to collective management and private copying. In **Colombia**, we engaged with the director of the DNDA to explore support programs and promote awareness of collective management. In **Panama**, we participated in a seminar with the director of copyright focused on raising awareness about the right to remuneration for audiovisual authors. In the **Dominican Republic**, we consulted with the director of the National Copyright Office (ONDA) and the legal advisor to the Presidency of the Republic to understand the status of the pending private copying decree. Lastly, in Costa Rica, we spoke with members of the Legislative Assembly regarding the Bill on limitations and exceptions currently under discussion in the country.

Copyright Dissemination

In August, a copyright seminar took place in Panama. It focused on the rights of audiovisual authors to receive remuneration, and the importance of further promoting this campaign across Latin America. CISAC participated, as did **REDES** (Colombia), **ATN** (Chile), **ARGENTORES** and DAC (Argentina), and **EDAP** (Panama).

In October, the Technical Committee on Dramatic, Literary, and Audiovisual Works convened in São Paulo, Brazil, with over 60 participants from Latin America, Europe, and Africa. CISAC organized this meeting with the support of the Brazilian society **ABRAMUS**. Mr. Cauê Fanha, a representative from the Brazilian copyright office, attended it. The meeting aimed to support the Brazilian societies **DBCA** and **GEDAR** in their advocacy for a right to remuneration for audiovisual authors in Brazil.

Likewise, in December, the authors´ society **SGACEDOM** organized a seminar in the Dominican Republic with the participation of ONDA, and producers´ and artists´ societies. The seminar Addressed AI, music streaming, and private copying topics.

Training

The regional office conducted training in Santo Domingo, the Dominican Republic, for Central American and the Caribbean societies on CISAC tools, including the latest version of CISNET, Professional Rules, and mandatory documents. Representatives from the societies **SPAC** (Panama), **ACAM** (Costa Rica), **AEI** (Guatemala), **AACIMH** (Honduras), **SACIM** (El Salvador), and **SGACEDOM** (Dominican Republic) participated in this training. Sylvain Piat, Miriam Orozco, Yann Lebreuilly, and Rafael Fariñas (CISAC) supported and presented at this event.

SOCIETIES IN ACTION

PERU ©APDAYC

APDAYC SIGNS AGREEMENT WITH SANTIAGO DE SURCO AUTHORITY TO PROTECT COPYRIGHT

APDAYC and the municipality of Santiago de Surco signed an important Inter-institutional Cooperation Agreement. This agreement empowers them to ensure that commercial establishments and organizers of all non-sporting events held in the district respect Copyright.

The alliance, which will last three years, establishes collaboration between the institutions to develop joint actions against violations of the Copyright Law.

Mayor Carlos Bruce attended the signing of the agreement; the Secretary General of APDAYC, Armando Massé Fernández; and the General Director, Rubén Ugarteche.

COLOMBIA ©Redes

REDES AND DASC REACH AN AGREEMENT WITH NETFLIX

The Colombian collective management societies REDES and DASC agreed with Netflix to pay remuneration rights to audiovisual writers.

The scope of this contract will allow for an appropriate response to the rights generated by works reproduced on the world´s leading streaming platform, which already has millions of subscribers in more than 190 countries.

ECUADOR ©Sayce

SAYCE ORGANIZED A MEETING ON AI WITH THE SUPPORT OF THE ANDEAN COMMUNITY

SAYCE organized a discussion titled “Current Affairs in the Protection of Innovations and Works in the Face of Artificial Intelligence,” featuring prominent specialists in Law and Intellectual Property, as well as authorities from the Andean Community Court of Justice, the Pontifical Catholic University of Ecuador, and SENADI, among others.

During the meeting, Santiago Shuster explained that AI does not create but instead replicates and transforms previously accumulated information. At the same time, Luis Ángel Madrid discussed the impact of artificial intelligence on productivity in areas such as Software, document management, and business solutions.

CHILE ©ATN

ATN SIGNS NEW AGREEMENTS IN ASIA, AFRICA, AND EUROPE

In 2024, ATN enhanced its global presence by entering into Reciprocal Representation Agreements in the audiovisual sector and Grand Rights with societies across Asia, Africa, and Europe. These involve LATGA (Lithuania), AIPA (Slovenia), WGJ (Japan), and APASER (Africa).

As a result, ATN now operates on all five continents, raising the total number of signed agreements to 57. This expansion highlights ATN's commitment to advocating for and representing screenwriters, audiovisual directors, and dramatic authors worldwide.

ABOUT THIS NEWSLETTER

The Latin American and the Caribbean collective management societies endorse this quarterly newsletter.

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