

**Written Submission for the Pre-Budget
Consultations in Advance of the Fall 2025
Federal Budget**

August 28, 2025



**Canadian Private Copying Collective
Lisa Freeman, Executive Director**

Recommendation: That the government amend the *Copyright Act* to make the private copying regime technologically neutral, requiring large technology companies to pay their fair share to copyright holders. The focus of these amendments would be to allow the regime to apply to both audio recording media and devices.

Background

Canadians have elected a government with the mandate to build a strong economy that works for everyone. Having grappled for years with the compiled challenges of a high cost of living and inflation, we now face the unprecedented transformation of our global trade relationships and threats to our sovereignty.

The Government of Canada must pursue focused solutions and build our own strength to ensure that Canadians can earn a fair wage and compete globally.

In the music sector, there is a decisive action the government can take that will inject vital funds into the industry and bring Canada in line with our most reliable trading partners around the world: making the private copying regime technologically neutral.

The [Canadian Private Copying Collective \(CPCC\)](#) represents recording artists, composers, songwriters, music publishers, and labels. Currently, under the *Copyright Act*, manufacturers and importers of blank audio recording media pay CPCC royalties through a small levy on each unit imported and sold in Canada. This compensates music rights-holders for unlicensed private copying of their work on those media.

Private copying refers to the making of copies of your music collection for personal use. In 1997, Canada's *Copyright Act* was amended to allow private copying without a licence onto audio recording media, with a corresponding levy to remunerate creators and music companies for this use of their work. Wherever possible, rights-holders do license the streaming, downloading, and other copying of their music, but the reality is still that not all copying activity can be licensed.

Outdated legislation leading to lost revenue for Canadian rights-holders

Private copying royalties have dramatically decreased because the *Copyright Act* has not kept up with technology, limiting the regime to levies on only the near-obsolete blank CD, while billions of unlicensed private copies are instead made on smartphones and tablets. Multinational technology companies are profiting from that unlicensed private copying on the phones and tablets they sell, with no compensation to Canadian rights-holders.

Instead of empowering **Canadian** creators and entrepreneurs to build careers and the cultural economy, Canada's outdated system enables **multinational tech giants** to extract value from the Canadian music industry. With Canadians across the country challenged by a high cost of living and the unpredictable impact of tariffs, our nation can no longer afford to let tech giants siphon off value with no returns to the Canadian economy.

Dozens of countries around the world, including Austria, Belgium, Croatia, France, Germany, Hungary, Italy, Morocco, Netherlands, Paraguay, Portugal and Switzerland, have amended their copyright regimes to compensate their rights-holders fairly and build their national music industries. Collectively, these regimes generated [€1.046 billion](#) in 2018, an increase from €669 million in 2015. In contrast, Canada's levies plummeted from \$38 million in 2004 to less than \$0.4 million in 2024, even as copying activity has surged.

The CPCC's 2024 research found that there are over 2.2 billion unlicensed, uncompensated private copies stored on Canadians' phones.

Solution

The CPCC recommends that the government amend the *Copyright Act* to make the private copying regime technologically neutral, requiring multinational tech giants to pay their fair share to copyright holders. The focus of these amendments would be to allow the regime to apply to both audio recording media and devices.

An updated private copying regime is a simple, proven solution that will restore rights and revenues to the Canadian music industry at no cost to the government. A modest \$3 levy per device—applied by the Copyright Board and consistent with rates in Europe—would generate more than \$40 million a year of earned income for recording artists, composers, songwriters, music publishers, and labels.

The CPCC also proposes minor revisions to the *Act* to clarify that offering or obtaining music illegally, whether through an unlicensed online service, stream-ripping, or by stealing an album from a store, are still infringing activities. The private copying regime is for copying that cannot be controlled.

Meeting Mandate Letter Priorities

We know that the Government of Canada is laser focused on the implementation of the [Prime Minister's mandate letter](#). Our recommendation responds to the following goals therein:

Enable Canadian creators and rights-holders to get ahead

Making the private copying regime technologically neutral will help Canadian creators get ahead by:

- permitting the CPCC to ask the Copyright Board for a modest \$3 levy on the smartphones and tablets where Canadians now make their private copies; and in turn
- generating a vital and predictable stream of over \$40 million a year in earned income that will help build careers and businesses in Canada's music industry.

With private copying legislation only applicable to blank CDs, Canada's copyright framework is no longer equipped to fairly compensate Canadian rights-holders. The CPCC urges the Government of Canada to update the *Copyright Act* to repatriate profits to Canadian music authors, publishers, performers and record labels from an ongoing, significant and valuable use of their work that they cannot control.

The 99% drop in private copying income for Canadian rights-holders over the last 20 years has undermined the development of Canadian creators and their business partners, further reducing the competitiveness of a Canadian industry already navigating the dual challenges of economic uncertainty and rising costs. As our nation confronts the further crises resulting from evolving global trade relationships and unjust tariffs, the Government of Canada must pursue strategies that build the resilience and infrastructure of the Canadian music industry.

Attract and retain the best talent in the world

Year over year, Canadian talent and rights-holders lose revenue in comparison with their global peers due to an ill-equipped and antiquated Canadian copyright framework. Bringing Canadian legislation in line with world leaders will help to fairly compensate Canadian rights-holders in the 21st century, and thus to attract and retain talent.

Around the world, other countries have refreshed their private copying regimes to keep pace with technology. These regimes extend beyond outdated media to generate royalties for their rights-holders on the widespread use of devices such as smartphones and tablets for their citizens' private copying.

Canadian rights-holders are on the verge of receiving no levies whatsoever, despite ever-increasing copying of music, made possible by rapid innovation in the tech sector. Ensuring rights-holders are paid their fair share for this use of their work will help keep creators making music and allow music companies to attract and invest in the next generation of talent.

Strengthen our collaboration with reliable trading partners and allies around the world

Making our private copying laws technologically neutral would aid in the government's work to strengthen trade with allies abroad. Canadian rights-holders have benefited from the modern private copying regimes of [those allies](#), receiving royalties for the use of our work abroad, but Canada cannot currently reciprocate. We must offer our reliable trading partners equivalent protection for the use of their rights-holders' work in Canada. Canada is an international outlier on private copying. Our global allies expect conditions of fair competition among rights-holders.

The CPCC's proposal of a modest \$3 levy, the [average levy payable on a smartphone in the European Union](#), would bring the Canadian copyright regime in line with modern norms.

Build the strongest economy in the G7

An updated, technologically neutral private copying regime is a market-based mechanism that would inject over \$40 million a year into Canada's music industry without spending scarce tax dollars. It is a critical step to building the scale, calibre, and competitiveness of the sector. Rights-holders with predictable, healthy royalty streams produce both cultural riches and employment and investment opportunities for creators, labels, publishers, managers, recording engineers, live music venues, and thousands of other Canadians from coast to coast to coast.

The Government can catalyse this investment without a single additional dollar spent on government operations.

Industry-wide Support

Private copying reform remains a priority across the recorded music industry. The following are key stakeholder organizations that have demonstrated their support for the CPCC's recommendation:

- ACTRA Recording Artists' Collecting Society (ACTRA RACS)
- ADVANCE
- L'Association des professionnels de l'édition musicale (APEM)
- L'Association québécoise de l'industrie du disque, du spectacle et de la vidéo (ADISQ)
- Canadian Federation of Musicians (CFM)
- Canadian Independent Music Association (CIMA)
- Canadian Musical Reproduction Rights Agency (CMRRA)
- La Guilde des musiciens et musiciennes du Québec (GMMQ)
- Musicians' Rights Organization Canada (MROC)
- Music Managers Forum (MMF)
- Music Publishers Canada (MPC)
- Re:Sound Music Licensing Company
- Screen Composers Guild of Canada (SCGC)
- Société de gestion collective des droits des producteurs de phonogrammes et de vidéogrammes (SOPROQ)
- La Société professionnelle des auteurs et des compositeurs du Québec (SPACQ)
- Society of Composers, Authors and Music Publishers of Canada (SOCAN)
- Songwriters Association of Canada

Equally, the CPCC stands with our cultural sector partners in their recommendations for other cost-neutral, growth-catalysing copyright reform, including the definition of sound recording, the \$1.25 million commercial radio exemption, fair dealing and artist's resale right. As Canada works to build the strongest economy in the G7, a modernized and functional copyright regime will ensure that Canada's cultural industries have the tools they need to drive measurable results.

Conclusion

The federal government has identified its fundamental responsibility to address the challenges facing Canadians today with focus, determination, and above all, action. In the music industry, the path forward is clear.

Making the private copying regime technologically neutral will, at no cost to the Government of Canada:

- help Canadian creators and rights-holders get ahead by generating fair compensation for their work;
- ensure Canada can attract and retain talent by bringing Canadian copyright legislation in line with international norms;
- strengthen our relationships with reliable global trading partners; and
- inject over \$40 million into the Canadian music industry to help build the strongest economy in the G7.

The CPCC urges the Government of Canada to act with speed by committing to this reform of the private copying regime in Budget 2025, enabling the Canadian music industry to contribute measurable results to this government's highest priorities.

For more information, please contact:

Lisa Freeman

Executive Director

lfreeman@cpcc.ca