Constitution, Europe, External Affairs and Culture Committee - Review of the EU-UK Trade and Cooperation Agreement

UK Music Response

Introduction

1. UK Music is the collective voice of the UK’s world-leading music industry. UK Music represents all sectors of the music industry – bringing them together to collaborate, campaign and champion music. A full list of UK Music members can be found in Annex A.

2. Music represents the best of British to the world. The UK is the largest exporter of recorded music in the world after the USA and one of only three net exporters of music. Our musicians and songwriters define the global soundtrack and shape our global reputation. Around 1 in 10 of all tracks streamed globally are by a British artist.

3. A crucial part of this success is the UK’s relationship with the EU, which remains a vitally important overseas market for British music creators. Even with a lack of international touring in 2021, music creators reported that 50% of their export income comes from the EU across all income streams.

4. The Trade and Cooperation Agreement (TCA) failed to cover many aspects of cultural touring, creating several new barriers and costs for UK musicians wishing to tour the EU. According to a 2023 UK Music survey, 82% of British musicians said their earnings had decreased because of Brexit. Meanwhile, 43% of musicians surveyed said it is no longer viable for them to tour EU nations.¹

5. To combat these issues, UK Music is calling on the Government to agree to a Cultural Touring Agreement with the EU, potentially as part of the anticipated 2026 Trade and Cooperation Agreement (TCA) review. Key issues facing musicians that require resolution in any Cultural Touring Agreement include:

   - Visas and Work Permits
   - Carnets and CITES
   - Merchandise
   - Cabotage

6. In addition, the Windsor Framework had the potential to address some of the customs-related issues at the Irish border. However, the agreed framework makes

¹ UK Music, EU touring Survey 2023
almost no material difference for musicians touring the EU and crossing the Irish border. We believe the Government should reconsider some elements of the framework to ensure its world-leading music industry is protected.

**Visas and Work Permits**

7. Since the UK’s departure from the EU, British passport holders have been categorised as third-country nationals. Consequently, they must abide by the Schengen area access rules which allow visa-free access into the Schengen area for a maximum of 90 days in 180.

8. The ability of UK citizens to work within this 90-day limit is at the discretion of each EU member state. And, even where a formal visa or work-permit is not required, individual countries may have additional restrictions. Artists and crew therefore face the expensive and time-consuming challenge of navigating multiple systems when touring Europe.

9. Three EU member states (Portugal, Malta, and Cyprus) may require work permits for musicians and performers. Following negotiations, 24 EU member states now allow some permit/visa free working. However, it is essential to note that the duration of visa-free touring varies from one country to another and often falls well below the 90 days in 180-day limit.

10. The restriction on UK nationals to spend no more than of 90 in 180 days in the Schengen area is particularly concerning. This timeframe includes both recreational and work-related activities and is insufficient for many in the sector. Performances often necessitate extensive rehearsal, touring, or extended runs, making this restriction particularly challenging for a range of professionals, from tour managers and bus drivers to caterers and opera singers.

11. It is now more onerous for European venues and festivals to book UK artists due to the associated costs and administration. As a result, UK artists and crew are increasingly losing out to EU based alternatives.

12. **Any new cultural touring agreement with the EU must include a visa and work permit waiver for musicians and music workers.**

**Carnets**

13. An ATA Carnet, often referred to as a “passport for goods”, is an international customs document that allows for the temporary importation of goods into a foreign country without paying duties and taxes.
14. Before Brexit, free movement of goods between the UK and EU meant that customs documents such as carnets were not required. However, they are now a necessity in the post-Brexit era. The requirement for a carnet has had particularly significant on musicians who need to transport equipment and kit for overseas performances and tours.

15. A carnet, required for unaccompanied instruments, costs £300 per shipment alongside VAT and a security deposit. This acts essentially as a tax on touring. These costs can quickly spiral, particularly for orchestras, whose carnet costs can range between £2000 and £5000.

16. Beyond the cost, the process of acquiring a carnet is bureaucratic, rigid, and a time burden. Carnets must be sourced well in advance of any travel and need to be signed by border officials at a specific place (the process can take up to four hours). Inconsistent application of the rules by border guards also leads to many artists being turned away or delayed at the border.

17. **A cultural touring agreement with the EU must include a waiver on carnets.**

**CITES and Musical Instrument Certificates**

19. Certain instruments contain parts of plants or body parts (e.g., rosewood and ivory) from endangered species whose export is controlled. These instruments now require a CITES (Convention on International Trade in Endangered Species) permit (known as a Musical Instrument Certificate), in addition to a carnet, to enter the EU.

20. CITES require a check in on entry and exit, which can only be done at certain Designated Ports of entry, effectively barring some artists from certain forms of transport into the EU.

21. For example, many artists use the Eurostar as an entry point into the EU, but Eurostar St Pancras is not a Designated Port for CITES instruments which cuts off an economic and more ecological route for musicians. The penalties for not sticking to the rules can be severe. A CITES breach can carry up to a seven-year jail sentence. In addition, instruments can be seized and destroyed.

22. Moreover, the Windsor Framework notes that some goods will still be subject to customs procedures, including “exports of particular goods, such as endangered species”. This suggests artists will continue to face inflexible, costly and time-consuming bureaucracy when transporting CITES instruments across the border.

23. **The Government should expand the number of points where documents like carnets and Musical Instrument Certificates can be checked, including making Eurostar St Pancras a CITES-designated port. Border force training on these documents should also be improved.**

**Merchandise**
24. For smaller bands and artists, selling merchandise can be the difference between a
tour being viable or not. The sale of CDs, t-shirts, and other merchandise at gigs is a
vital revenue stream. However, increased costs and new bureaucracy are making
this increasingly difficult.

25. Artists need to register as an exporter, secure an Economic Operators Registration
and Identification (EORI) number, and register for VAT in each market visited. One
band, Tankus the Henge, told the BBC that the additional costs resulted in them
missing out on £2,500 worth of merchandise sales on their tour of France in summer
2020.

26. These costs are enough to deter many artists from touring. One artist surveyed by
UK Music said that additional costs on merchandise make touring the EU “not
commercially viable, even for artists with an average audience of 1500 people”.

27. The impact also extends to artists shipping merchandise sold online. Frequently,
merchandise is delayed and held up at customs, while additional import charges lead
to postal fees that consumers are unwilling to pay.

28. **The Government should work to streamline processes around exporting
merchandise and VAT registration, as well as working reduce additional
charges on merchandise being imported to the EU.**

**Cabotage**

29. Cabotage refers to the practice of transporting freight between two places within the
same country by foreign-registered trucks. Previously, EU rules allowed UK trucks to
operate freely in the EU, but new restrictions are in place following Brexit.

30. Before the UK left the EU, the UK was the centre of the European event haulier
industry. This position is now under threat as many UK companies relocate or lose
out to EU competitors not bound by the same cabotage restrictions on movement.

31. New cabotage rules mean UK trucks are allowed to make three stops in the EU: one
initial movement, and two onward ones. Therefore, many tours cannot use UK
flagged trucks, or will have to reroute their truck back to the UK every three stops, at
huge time and financial cost.

32. Many orchestras work as ‘Own Account’ operators running their own customised
vehicles to ensure the safe transport of valuable instruments. This activity now faces
additional restrictions, leaving specialist vehicles idle while orchestras rack up
prohibitive bills renting EU based alternatives. Some orchestras are paying up to
£20,000 for replacement EU flagged vehicles.

33. In the long term, this threatens the viability of the current number of UK based
specialist touring hauliers. Many are now choosing to base themselves in the EU,
leading to specialist equipment and opportunities going as well, with large tours
preferring to be based in the EU with the UK as a leg of the tour, as opposed to the UK being a base.

34. In May 2022, the UK Government announced new measures to support events hauliers in moving their vehicles more freely between the UK and EU. The new rule, called ‘dual registration’, allows the five biggest haulage firms to set up dual bases in EU and UK. However, this change is only available to the largest operators who have the resources to set up a European base, re-qualify their drivers, and split their fleets between the UK and EU. Most haulage companies are unable to take advantage of this, and it therefore fails to provide an adequate solution to the problem.

35. **A Cultural Touring Agreement should include an exemption from cabotage restrictions for registered specialist event hauliers travelling in the UK and the EU.**

Customs Processes under the Windsor Framework

36. The Windsor Framework outlines that individuals’ "can benefit from simplified customs procedures on the condition that they ensure that the goods are for final sale or use by end consumers in Northern Ireland".

37. Since touring musicians, and the equipment they are crossing the border with, are not for retail sale, they will not benefit from the changes. Therefore, in its current form, the Windsor Framework makes no material difference for UK musicians touring the EU and crossing the Irish border.

38. **The Windsor Framework should be amended to ensure touring musicians can benefit from simplified customs processes.**
Annex A

UK Music’s membership comprises:

- **AIM - Association of Independent Music** – The trade body for the independent music sector and community which make up more than a quarter of the UK’s recorded music market. Representing 1000+ independent record labels and associated businesses, AIM’s members range from globally recognised brands to the next generation of British music entrepreneurs.

- **BPI - The British Phonographic Industry** - The representative voice of the UK’s recorded music sector. Their membership consists of approximately 500 music companies, ranging from hundreds of SME independent labels to the major global record companies Universal, Sony and Warner. They also organise the BRIT Awards, the Mercury Prize and administer the Music Exports Growth Scheme (MEGS).

- **FAC – The Featured Artists Coalition** - UK trade body representing the specific rights and interests of music artists. A not-for-profit organisation, they represent a diverse, global membership of creators at all stages of their careers and provide a strong, collective voice for artists.

- **The Ivors Academy** - An independent association representing professional songwriters and composers. As champions of music creators for over 70 years, the organisation works to support, protect and celebrate music creators including its internationally respected Ivors Awards.

- **MMF – Music Managers Forum** - Representing over 1000 UK managers of artists, songwriters and producers across the music industry with global businesses.

- **MPG - Music Producers Guild** - Representing and promoting the interests of all those involved in the production of recorded music – including music studios, producers, engineers, mixers, remixers, programmers and mastering engineers.

- **MPA - Music Publishers Association** - The representative voice of the UK’s music publishing sector. Membership includes over 95% of the country’s major and independent music publishers and close to 4,000 catalogues across all genres of music.

- **Musicians’ Union** - Representing over 32,000 musicians from all genres, both featured and non-featured.
• **PPL** Licenses recorded music in the UK when it is played in public or broadcast and ensures that revenue flows back to our members. These include independent and major record companies, together with performers ranging from emerging musicians to globally renowned artists. In 2021 we collected £252.8 million while also distributing money to 147,000 performers and recording rightsholders.

• **PRS for Music** is responsible for the collective licensing of rights in the musical works of 150,000 composers, songwriters and publishers and an international repertoire of 28 million songs.

• **UK Music** also has an informal association with **LIVE (Live music Industry Venues & Entertainment)**, the voice of the UK’s live music and entertainment business. LIVE members are a federation of 13 live music industry associations representing 3,150 businesses, over 4,000 artists and 2,000 backstage workers.