

DPIIT notifies draft Copyright (Amendment) Rules, 2025

– mandates online payment of License Fees

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Introduction

On 4 June 2025, the Ministry of Commerce and Industry, Department for Promotion and Industry and Internal Trade under its powers under Section 78 of the Copyright Act, notified the draft Copyright (Amendment) Rules, 2025 (Proposed Amendment) vide notification G.S.R. 370 (E), introducing Rule 83A in the Copyright Rules, 2013.

Functioning of proposed Rule 83(A)

The proposed Rule 83(A) requires owners/ licensors of literary works, musical works, and sound recordings to establish and maintain an online payment mechanism for collecting license fees. Pertinently, the rule mandates that all payments of license fees would have to be processed exclusively through the said online system and no other method of payment is permitted.

The rule is applicable to all entities which are licensing copyrighted works, whether it be owners or licensors. However, the obligation is limited to licenses for "communication of work to the public" and does not extend to licensing of other copyrights.

Impact of proposed amendment

The Proposed Amendment appears to have been brought about by the Government as a part of its push to encourage digital transactions in order to bring about transparency and simplify the process of collecting license fees. By mandating online payments, the Government is seeking to reduce administrative burdens and ensure tracking payment and receipt of license fees, thereby making the mechanism more efficient and accurate for both licensors as well as the licensees.

However, limiting the method of payment of license fees only to an online system would exclude payment mechanisms such as cheques or demand drafts, which continue to be common payment mechanisms in the country. In a country like India, where a significant section of the population is not digitally literate, excluding other non-cash payment mechanisms could lead to difficulties for the small licensees in the market.

Conclusion

While the government's intention to bring transparency and efficiency to the copyright licensing process through the Proposed Amendment is a commendable step forward, the same is not without its shortcomings. The exclusion of other non-cash payment mechanisms such as cheques, demand drafts etc., is an issue that would impact the public and hence must be kept in mind by the Government before enacting the final provision.

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