

BCC response to HM Government Freeports Consultation: Boosting Trade, Jobs and Investment Across the UK

The British Copyright Council's (BCC's) membership spans the creative industries. We represent those who create, perform, hold interests in or manage rights in literary, dramatic, musical and artistic works, films, sound recordings, broadcasts and journalism. Prior to the Coronavirus Pandemic, the creative industries contributed £111.7 billion to the economy – more than the automotive, aerospace, life sciences and oil and gas industries combined.¹

Copyright is fundamental to revenue generation from creative works. The UK's approach to Freeports must not undermine right holders by facilitating infringement. This would impede the ability of the UK's creative industries to contribute to the economy, as well as having negative consequences for individual creators. Given this is our primary concern, we have limited our response to the questions posed under 'Preventing illicit activity' in Chapter 8.

Q47: In your view, what is the level of risk of illicit activity in Freeports? Please explain your answer.

Without investment in effective surveillance, scrutiny, inspections and customs controls our members are concerned that Freeports will become a magnet for illicit activity.

Q48: What additional measures should be implemented to mitigate such activities?

The BCC would welcome the following additional measures:

1. Documentation
 - Reliable and dependable product declaration documentation and preventative controls to protect Intellectual Property rights must be maintained.
 - Agreed and transparent systems for standard checks that ensure compliance on the criteria for documentation principles, rules on breakups of consignments, shipment transfer methods, packaging and re-packaging.
2. Free Trade Zones
 - Clear rules and documentation on transfers of ownership and removal of goods.
 - Limitations on the length of time consignments can remain at a Free Trade Zone.
3. Enforcement
 - Random and risk analysis checks on documentation, consignments and sources of origin.

¹ Government press release, *UK's Creative Industries contributes almost £13 million to the UK economy every hour* <https://www.gov.uk/government/news/uks-creative-industries-contributes-almost-13-million-to-the-uk-economy-every-hour>

- Systems that identify and exclude sensitive goods on grounds of health, public security, morality etc.
- Controlled and ex officio checks on goods, particularly those admitted free of duties.
- Effective deterrent penalties for violations, offenders and repeat rule breakers to deter serial offenders.

4. Artist Resale Right

Rights payments for importation of art works must be recorded and paid in Freeports. For example, application of the Artist Resale Right (S.I. 2006 No 346).² The BCC is concerned that the likelihood of illicit deals in the art market that include money laundering, selling forgeries, tax avoidance and avoidance of obligations such as Artist Resale Right could increase in Freeports. It is important that regulatory flexibility is not mutually exclusive from legal compliance.

For further information please contact Rebecca Deegan, Director Policy & Public Affairs, rebecca.deegan@britishcopyright.org

² The Artist's Resale Right Regulations 2006
<http://www.legislation.gov.uk/uksi/2006/346/contents/made>