

# Transparency and Conflict Resolution of Music Royalties in Indonesia: An Analysis of the Effectiveness of the National Collective Management Organization (LMKN) and Non-Litigation Mechanisms after Government Regulation No. 56 of 2021

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The protection of songwriters' economic rights in Indonesia faces significant challenges, particularly with respect to royalty payments in commercial public spaces and digital platforms. The main regulatory frameworks, Law No. 28 of 2014 on Copyright and Government Regulation No. 56 of 2021, aim to establish a "one-stop system" through the National Collective Management Organization (LMKN). Nevertheless, royalty disputes continue to occur, indicating gaps in transparency and dispute resolution mechanisms, as reflected in conflicts involving concerts and commercial venues. This study aims to (1) analyze the challenges and opportunities in implementing the principles of transparency and accountability within LMKN, particularly in relation to the Song and Music Information System (SILM), and (2) evaluate the effectiveness of non-litigation mechanisms (mediation and arbitration) as primary solutions for resolving music royalty disputes compared to litigation. This research adopts a normative-juridical legal method, employing a statute approach, conceptual approach, and case approach. Primary legal materials (Copyright Law and Government Regulation No. 56 of 2021) and secondary legal materials (literature, academic journals, and court decisions) are analyzed using a qualitative-descriptive method. The findings indicate that LMKN has not yet achieved full transparency and accountability due to limitations in the comprehensiveness of the SILM database. Mediation emerges as the most efficient dispute resolution mechanism, as litigation tends to be time-consuming and costly. Accordingly, LMKN should take a more proactive role as a mediator. In conclusion, legal certainty in royalty management requires institutional strengthening of LMKN and a cultural shift in dispute resolution from litigation toward non-litigation mechanisms.

**Keywords:** Music Royalties, Copyright, Government Regulation No. 56 Of 2021, LMKN, Transparency, Mediation

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## 1. Introduction

Copyright constitutes a branch of Intellectual Property that encompasses both economic rights and moral rights. Accordingly, when a copyrighted work is not managed in an orderly manner based on a clear legal framework, disputes may arise between the copyright owner, the holder of copyright, or other parties such as copyright users who infringe upon those rights. Works protected under the Copyright Law include creations in the fields of science, art, and literature, covering various types of works, including songs and/or music. Musical works may consist of compositions with or without lyrics, including traditional music (karawitan) and sound recordings (Usman, 2003).

Songs and music serve as expressive media through which creators convey thoughts and emotions in artistic forms that can be enjoyed by the public. Listeners often use music as a means of relaxation, as

musical tones are believed to produce calming effects. Music genres vary widely, ranging from classical, pop, jazz, hip hop, rock, traditional music, dangdut, and others. Music continuously evolves along with societal and technological developments and remains inseparable from everyday life. Behind the aesthetic enjoyment of music consumed by society, however, lie complex material and non-material efforts undertaken by songwriters and composers, which deserve legal recognition and protection.

Copyright law provides a legal solution for protecting songs and music circulating within society. Once a song or musical work has been recorded, copyright protection automatically arises. Songs and music constitute objects of copyright protection under Law No. 28 of 2014 on Copyright (Copyright Law). This law governs the protection of copyrighted works, including songs and music, which grant moral and economic rights to copyright holders as stipulated in Article 9 paragraph (1). The public communication of a copyrighted work includes reading, broadcasting, exhibiting, or otherwise disseminating a work through any medium, whether electronic or non-electronic, so that it may be read, heard, or seen by others.

Article 1 of the Copyright Law defines royalties as compensation received by creators or related rights holders for the utilization of the economic rights of a copyrighted work. The management of music royalties refers to the collection, aggregation, and distribution of royalties derived from the commercial use of songs and music. To facilitate this process, a designated institution known as the National Collective Management Organization (Lembaga Manajemen Kolektif Nasional/LMKN) is required. LMKN is a non-budgetary government-supported institution established by the Minister under the Copyright Law, vested with authority to collect, manage, and distribute royalties, as well as to safeguard the economic interests of songwriters and related rights holders in the music sector (Government Regulation No. 56 of 2021).

Royalties are inherently attached to copyrighted works, similar to monetization mechanisms. Monetization represents a method through which creators generate income by publishing their works and embedding advertising content, such as on YouTube. In contrast, the royalty system requires prior authorization from copyright owners and contractual arrangements between users and rights holders. Both mechanisms aim to realize economic benefits, albeit through distinct legal and commercial models.

The rapid advancement of digital technology and internet connectivity has transformed the music industry, offering both opportunities and challenges. On the one hand, record companies and musicians can promote their works efficiently through digital platforms and social media. On the other hand, digital accessibility has facilitated unauthorized uses, including cover performances uploaded to platforms such as YouTube, SoundCloud, Spotify, and iTunes without proper royalty payments (Simanjuntak, n.d.).

In contemporary practice, music streaming services such as Spotify, YouTube, and Joox enable individuals to access music easily. While personal consumption remains lawful, commercial exploitation without authorization constitutes a legal issue requiring regulatory certainty. For instance, businesses frequently play background music in restaurants, shopping malls, supermarkets, and other public spaces to enhance customer experience. Such activities qualify as public performances and fall under Article 9 paragraph (1) of the Copyright Law, which mandates royalty payments. Nevertheless, many users continue to neglect their obligation to pay royalties to copyright holders (Widyaningtyas & Zahra, 2021).

Royalty disputes have also emerged prominently in live music performances. A notable case involved Indonesian musician Ahmad Dhani prohibiting former Dewa19 vocalist Once Mekel from performing Dewa19 songs at commercial concerts without authorization and royalty payment. This controversy highlights the persistent tension surrounding economic rights in live performances and underscores the necessity of clear regulatory enforcement.

In response to prolonged conflicts and governance issues, the Indonesian government enacted Government Regulation No. 56 of 2021 on the Management of Music Royalties. This regulation aims to strengthen legal certainty and transparency in royalty management by mandating the establishment of the Music Data Center and the Song and Music Information System (SILM). These technological systems are intended to provide accurate, integrated data on music usage, thereby minimizing disputes related to royalty calculation and distribution.

Government Regulation No. 56 of 2021 specifies fourteen categories of public services obligated to pay royalties, including seminars, public transportation, retail spaces, and telephone ring-back tones. While the regulation seeks to eliminate ambiguity and promote compliance, it has generated concern among Micro, Small, and Medium Enterprises (MSMEs), particularly regarding potential financial burdens. This indicates that effective implementation requires balanced communication and policy sensitivity to sustain business ecosystems.

Ultimately, the effectiveness of Government Regulation No. 56 of 2021 depends largely on the integrity, transparency, and accountability of LMKN in managing collected royalties. Transparent auditing and equitable distribution mechanisms are essential to resolving long-standing conflicts between creators and users. This study therefore seeks to examine how Government Regulation No. 56 of 2021 responds to the commercialization of music and to assess the extent to which it provides legal certainty for both creators and music users. Despite the regulation's enactment, disputes persist, necessitating further analysis of systemic weaknesses and the development of preventive and non-litigation-based dispute resolution mechanisms (Ardiansyah et al., 2025).

## 2. Literature Review

### Copyright and Economic Rights in Musical Works

Copyright is a legal mechanism designed to protect creative works by granting exclusive rights to creators over the use of their works. In the context of musical works, copyright protection encompasses both moral rights and economic rights. Moral rights relate to the personal bond between the creator and the work, including the right to attribution and integrity, while economic rights grant creators the authority to exploit their works commercially and to receive financial benefits from such exploitation (Usman, 2003). Economic rights in music typically include reproduction, distribution, public performance, and communication to the public, all of which are closely associated with royalty payments.

In Indonesia, the legal foundation for protecting economic rights in musical works is Law No. 28 of 2014 on Copyright. This law explicitly recognizes songs and music as protected works and provides creators with the right to receive royalties from any commercial use of their creations. Several studies emphasize that effective protection of economic rights is essential not only to ensure fair compensation for creators but also to sustain the creative economy as a whole (Widyaningtyas & Zahra, 2021).

### Royalty Management and Collective Management Organizations

Royalty management is commonly implemented through collective management organizations (CMOs), which act as intermediaries between creators and users of copyrighted works. Theoretically, CMOs are intended to reduce transaction costs, simplify licensing processes, and ensure equitable distribution of royalties (Gervais, 2018). In the Indonesian context, the National Collective Management Organization (LMKN) was established to implement a centralized "one-stop system" for collecting and distributing music royalties, particularly following the enactment of Government Regulation No. 56 of 2021.

However, empirical and doctrinal studies highlight recurring challenges in collective management systems, particularly regarding transparency, accountability, and data accuracy (Ardiansyah et al., 2025). Weaknesses in royalty databases and limited access to distribution reports have been identified as key factors contributing to distrust among creators and users alike. These findings suggest that the effectiveness of LMKN is closely tied to the reliability of supporting systems such as the Song and Music Information System (SILM).

### **Transparency and Accountability in Royalty Distribution**

Transparency is widely regarded as a core principle of good governance in copyright management. Transparency enables rights holders to understand how royalties are calculated, collected, and distributed, while accountability ensures that collective management organizations can be held responsible for their actions (OECD, 2019). Several scholars argue that the absence of transparent reporting mechanisms often leads to disputes and erodes trust between creators, users, and management institutions (Towse, 2020).

In the Indonesian music industry, the lack of comprehensive and real-time data on music usage has been repeatedly cited as a structural weakness. The establishment of SILM under Government Regulation No. 56 of 2021 represents a regulatory effort to address this issue. Nevertheless, existing literature suggests that technological systems alone are insufficient without institutional commitment to openness, independent auditing, and clear reporting standards (Ardiansyah et al., 2025).

### **Non-Litigation Dispute Resolution in Copyright Conflicts**

Dispute resolution in copyright law can be pursued through litigation or non-litigation mechanisms such as mediation and arbitration. Legal scholars generally agree that litigation in intellectual property disputes is often costly, time-consuming, and adversarial, making it less suitable for resolving ongoing commercial relationships (Menkel-Meadow, 2016). Consequently, alternative dispute resolution (ADR) mechanisms are increasingly promoted as more efficient and flexible solutions.

In the context of music royalty disputes, mediation has been identified as particularly effective because it allows parties to reach mutually beneficial agreements while preserving professional relationships (Bercovitch & Jackson, 2009). Indonesian legal literature also supports the prioritization of non-litigation mechanisms, especially when facilitated by specialized institutions such as LMKN or LMK, which possess sector-specific expertise (Widyaningtyas & Zahra, 2021).

### **Research Gap**

Although previous studies have extensively examined copyright protection, royalty management, and dispute resolution mechanisms, limited attention has been given to the integrated evaluation of transparency in LMKN and the effectiveness of non-litigation mechanisms after the implementation of Government Regulation No. 56 of 2021. Most existing research focuses either on normative legal analysis or on isolated dispute cases, without systematically linking institutional transparency, technological infrastructure (SILM), and dispute resolution outcomes. This gap underscores the need for a comprehensive analysis that assesses how regulatory reforms function in practice and whether they effectively enhance legal certainty for both creators and music users.

## **3. Method**

This study adopts a socio-legal research approach. This choice is grounded in the understanding that the research problem cannot be adequately examined by relying solely on secondary data or doctrinal legal materials. Empirical support is indispensable, particularly in assessing legal events, legal relationships, and

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legal decision-making processes related to royalty payments. These variables constitute the core objectives of the study and serve as benchmarks for measuring the legal issues developed in this research.

Legal explanation is also required because factors beyond the legal domain, including economic, social, and institutional dimensions, significantly influence the practical implementation of royalty payment systems in society. The socio-legal research approach employed in this study does not disregard doctrinal analysis; on the contrary, one of the research objectives is to examine the regulatory framework governing royalty collection and payment, as well as the legal protection afforded to copyright holders. Accordingly, the doctrinal dimension remains integral to the overall analytical framework.

The data obtained during the research are analyzed using qualitative methods. The study applies three main approaches: (1) the statute approach, which examines relevant laws and regulations governing copyright and royalty management; (2) the conceptual approach, which explores legal concepts such as distributive justice in the context of royalty distribution; and (3) the case approach, which analyzes copyright dispute cases that have been resolved either through judicial decisions or non-litigation mechanisms such as mediation.

This research draws upon both primary and secondary legal sources. Primary legal materials consist of Indonesian laws and regulations related to copyright, particularly Law No. 28 of 2014 on Copyright and Government Regulation No. 56 of 2021 on the Management of Music Copyright Royalties. Secondary legal materials include academic literature such as textbooks and scholarly journals, including works on economic law and intellectual property rights, which provide theoretical and analytical support for the study.

## 4. Results and Discussion

### Problems of Transparency and Accountability of LMKN after GR 56/2021

In implementing Government Regulation (GR) No. 56 of 2021, the Minister of Law and Human Rights issued the Regulation of the Minister of Law and Human Rights of the Republic of Indonesia No. 9 of 2022. This policy was introduced to respond to societal needs and the evolving legal landscape. Through Ministerial Regulation No. 9 of 2022, the government facilitated the establishment of Collective Management Organizations (Lembaga Manajemen Kolektif/LMK) as non-profit legal entities authorized by creators, copyright holders, and/or related-rights owners to manage economic rights through the collection and distribution of royalties, under the responsibility of the relevant ministry. Article 5 of the Ministerial Regulation outlines LMK functions, including royalty management; drafting ethics codes; recommending licensing matters to the Minister; preparing standard operating procedures; establishing systems and procedures for royalty calculation; determining distribution mechanisms and royalty amounts for creators and related-rights owners; synchronizing and cleansing rightsholder data; mediating disputes on royalty distribution when members raise objections; and submitting performance and financial reports to the Minister (Sidabariba et al., 2023).

Based on Articles 87, 89, and 90 of the Copyright Law (Law No. 28 of 2014) and the enactment of GR 56/2021, the regulatory framework seeks to optimize music royalty governance. GR 56/2021 defines LMK as a non-profit legal entity mandated by copyright holders and related-rights owners to manage economic rights through royalty collection and distribution. In contrast, the National Collective Management Organization (Lembaga Manajemen Kolektif Nasional/LMKN) is established by the Minister as a non-budgetary government-supporting institution with authority to collect, pool, and distribute royalties and to manage the economic interests of creators and related-rights owners in songs and/or music. LMKN's authority to collect and distribute royalties may be delegated to relevant LMKs (copyright LMK or related-

rights LMK), as provided under Article 17, and is intended to prevent conflicts of interest while maintaining a centralized “one-door” mechanism (Yohanes Michael Henry Rahesatama et al., n.d.).

Legal certainty regarding LMKN as the sole integrated “one-door” institution was reinforced through the Bali Declaration on 26 April 2019 by the Directorate General of Intellectual Property (DJKI), the Ministry of Law and Human Rights, LMKN, and eight LMKs. The declaration affirmed LMKN as the only body authorized to collect, pool, and distribute royalties from commercial users. The “one-door” system was designed to reduce high transaction costs in royalty collection. Prior to GR 56/2021, LMKs often operated in a fragmented manner, causing confusion among business actors (e.g., hotels and restaurants) who received overlapping royalty claims for the same use. In this study, the “one-door” system is examined through three key instruments: (1) SILM, (2) standardized tariffs, and (3) distribution transparency.

First, the Song and Music Information System (Sistem Informasi Lagu dan/atau Musik/SILM) functions as a single database intended to support accountability. Without accurate metadata, the “one-door” authority risks producing “orphan royalties,” where usage is recorded but rightsholders cannot be reliably identified. The “one-door” system is effective only if users’ logsheets are fully synchronized with rightsholder data within LMK/LMKN systems. In practice, the Music Data Center is managed by DJKI, while SILM is managed by LMKN and is intended to provide information to LMKN, creators, copyright holders, related-rights owners, and commercial users. Royalty management by LMKN relies on SILM data and the information contained in the Music Data Center; commercial use is permitted after users obtain authorization via LMKN. Thus, SILM is expected to become the core infrastructure for royalty distribution (Afrizal et al., 2024). Nevertheless, SILM has not been implemented effectively due to internal constraints, resulting in limited functionality and reduced trust in the accuracy of royalty distribution (Gunawan et al., 2023).

Second, the adoption of a single tariff model supports standardization. Under this model, business users may pay once (a blanket license) to LMKN for music use in their commercial venues, with tariff levels varying by business type. However, tariff standardization may also reduce the bargaining power of LMKs that manage particular repertoires. LMKN’s tariff guidelines have been formalized, among others, in LMKN Decree No. 20160512RKBD/LMKN-Pleno/Tarif Royalti/2016 concerning tariff rates for restaurants, cafés, pubs, bars, bistros, nightclubs, and discotheques. For MSME-relevant categories, cafés and restaurants are set at IDR 60,000 per seat per year for related rights and IDR 60,000 per seat per year for creators’ rights (Gunawan et al., 2023). Nightclubs and discotheques are charged IDR 250,000 per m<sup>2</sup>/year for creators’ rights and IDR 180,000 per m<sup>2</sup>/year for related rights, while exhibitions and bazaars may be charged a lump-sum of IDR 1,500,000 per day. Although official tariffs exist, negotiation remains possible if tariffs are considered burdensome.

Third, transparency in distribution is crucial. After royalty collection, funds are distributed to rights holders affiliated with LMKs based on reported usage data recorded in SILM, as reflected in Article 14 of GR 56/2021. Distribution transparency is a foundational pillar of a fair copyright ecosystem. One critical issue concerns the deduction of operational funds before royalties reach creators or rightsholders. Article 22 of GR 56/2021 grants LMKN and LMKs legal authority to deduct operational costs from collected royalties. While such deductions are legally permitted, they should be interpreted restrictively: operational deductions must comply with principles of reasonableness and efficiency. Without strict transparency, operational deductions risk becoming a “hidden burden” that reduces creators’ welfare. Therefore, oversight of Article 22 implementation is essential to ensure that administrative costs remain proportionate.

In addition, one-door centralization concentrates significant financial authority and therefore requires stronger checks and balances. Independent financial and performance audits should not be treated as

procedural formalities, but as verification mechanisms to ensure that collected funds are accurately recorded, operational deductions comply with Article 22, and royalties reach rightsholders in a timely and proportional manner. Independent auditing also mitigates moral hazard risks and strengthens trust in LMKN's institutional credibility. Ultimately, the effectiveness of GR 56/2021 should be evaluated not only by the volume of royalties collected, but also by the transparency and accountability of distribution.

In practice, SILM implementation as the backbone of royalty digitalization still faces fundamental technical barriers. The main issue is database integrity: many works remain unregistered, and data duplication across LMKs persists. The absence of real-time music usage capture (e.g., audio fingerprinting technology) weakens distribution transparency. Without precise usage data, distribution tends to rely on generalization or estimation, potentially producing inequitable outcomes—especially for creators whose works are frequently played in public spaces but not captured reliably by the system. Beyond technical and tariff concerns, royalty compliance is influenced by legal culture. Field observations indicate resistance among business users who perceive background music as merely complementary and not subject to payment obligations. This low compliance is linked to insufficient outreach, negative perceptions regarding transparency of fund management, and entrenched habits of consuming works without compensation—where royalty obligations are perceived as an added “tax” rather than fulfillment of others' rights.

### **Alternative Dispute Resolution as a Solution to Royalty Conflicts**

Alternative Dispute Resolution (ADR), known in Indonesia as Alternatif Penyelesaian Sengketa (APS) and sometimes framed as cooperative conflict management, refers to peaceful dispute settlement mechanisms outside court proceedings, based on parties' agreement. ADR may take the form of consultation, negotiation, mediation, conciliation, or expert opinion. In general, ADR is a non-litigation approach that prioritizes settlement without judicial confrontation (Damayanti et al., 2025).

Article 95 of Law No. 28 of 2014 provides that copyright disputes may be resolved through ADR, arbitration, or court proceedings. The competent court is the Commercial Court; other courts do not have jurisdiction over copyright dispute settlement. Moreover, except for piracy-related violations, where parties are identifiable and/or located within the territory of Indonesia, mediation must be pursued before initiating criminal proceedings (Law No. 28 of 2014).

#### **a. Copyright Mediation as a “Win–Win” Mechanism**

Mediation is a dispute resolution process in which a neutral third party (mediator) assists disputing parties to reach a settlement. The mediator does not decide the dispute but facilitates communication and negotiation (Lestari, 2013). Mediation involves a neutral third party, produces outcomes that are non-binding unless the parties agree otherwise, and usually follows a structured procedure. Mediation is advantageous because it is faster and more efficient than court proceedings, reduces costs, supports constructive communication, and helps preserve professional relationships. Its limitations include non-binding outcomes and its dependence on the parties' willingness to compromise.

A widely discussed example is the dispute between Ahmad Dhani and Once Mekel regarding the performance of Dewa 19 songs. The conflict, which escalated publicly concerning economic rights and performing rights authorization, eventually reached a resolution through dialogue outside court. This case illustrates the practical value of mediation in the music industry: it accommodates both sides' interests without the high costs and long duration typical of litigation. Given the importance of professional relationships and reputation in the creative industries, mediation can secure compliance while maintaining

industry cohesion. This reinforces the argument that cooperative and communicative approaches may be more effective than adversarial litigation in many copyright disputes.

In this context, LMKN is often perceived merely as a collecting and distributing agency. However, to build a more harmonious music ecosystem, LMKN should adopt a more proactive mediation role. Proactive mediation means LMKN does not merely wait for disputes to be reported, but actively provides neutral mediation forums, conducts preventive legal education to clarify rights and obligations, and promotes licensing standardization to reduce disputes at an early stage. Strengthening LMKN’s mediation capacity would reinforce its position as an institutional backbone of copyright protection—one that not only manages funds but also facilitates fairness in practice.

**b. Copyright Arbitration as a Binding Non-Litigation Option**

Arbitration is a dispute settlement mechanism in which parties agree to submit their dispute to one or more arbitrators authorized to render a binding decision (Siswanto, 2018). Arbitration is more formal than negotiation or mediation, and its awards are final and binding. Arbitration offers advantages such as finality, relative speed compared to litigation, structured procedures, and greater confidentiality than public court hearings. However, it can be more costly than mediation, may be less suitable for simple disputes, and offers no appeal mechanism if a party disagrees with the award.

Overall, ADR mechanisms such as negotiation, mediation, and arbitration offer more efficient alternatives to formal court processes. The most appropriate mechanism depends on the nature of the dispute, the parties’ preferences, and the desired outcome. Each mechanism involves trade-offs, and selection should be based on careful consideration of these factors.

**Table 1.** Comparison of Litigation and Its Impacts in Royalty Disputes

Factor	Litigation Route (Criminal/Civil)	Impact on Creators/LMK
Nature	Adversarial	Damages industry relationships
Outcome	Win–lose solution	Limited space for business compromise
Time	Very long (up to final review level)	Prolonged uncertainty of economic rights
Cost	High (legal counsel & operational costs)	Reduces net royalty value

The comparison presented in Table 1 reinforces the core argument of this study regarding the limitations of litigation as a primary mechanism for resolving music royalty disputes. Litigation, whether pursued through civil or criminal proceedings, is inherently adversarial in nature. This confrontational character often damages long-term relationships within the music industry ecosystem, particularly between creators, collective management organizations, and commercial users who, in practice, must continue to interact after the dispute is resolved.

From an outcome perspective, litigation tends to produce a strict win–lose solution. While such outcomes may provide formal legal certainty, they leave little room for business-oriented compromise or restorative solutions that acknowledge the interdependence of stakeholders in the creative economy. As a result, litigation frequently fails to address the underlying structural or communication problems that give rise to royalty disputes in the first place.

The temporal dimension further weakens the attractiveness of litigation. Lengthy judicial processes—often extending to final review levels—create prolonged uncertainty regarding economic rights. For creators and rightsholders, this uncertainty directly affects income stability, while for collective management institutions it complicates financial planning and distribution cycles. In parallel, the high costs associated with litigation,

including legal counsel fees and operational expenses, ultimately reduce the net value of royalties that should benefit creators.

Taken together, these findings support the conclusion that litigation should function as a last resort rather than a primary pathway for resolving royalty conflicts. Non-litigation mechanisms, particularly mediation facilitated by LMKN, offer a more proportionate, efficient, and relationship-preserving approach. By emphasizing dialogue, flexibility, and contextual understanding, alternative dispute resolution aligns more closely with the objectives of fairness, sustainability, and legal certainty envisioned by Government Regulation No. 56 of 2021.

## 5. Conclusion

This study concludes that the legal protection of economic rights for songwriters and music rightsholders in Indonesia has been formally established through Law No. 28 of 2014 on Copyright and Government Regulation No. 56 of 2021, which designates the National Collective Management Organization (LMKN) as the central authority for royalty collection and distribution. However, the absence of explicit and effective sanctions for commercial users who fail to comply with royalty obligations weakens regulatory enforcement and undermines legal certainty. The implementation of Government Regulation No. 56 of 2021 has not yet fully achieved its objectives of transparency and accountability, primarily due to fundamental weaknesses in the LMKN database system (SILM) and ongoing resistance from industry actors toward standardized tariff schemes. These structural and operational shortcomings have become persistent sources of royalty disputes.

The findings further demonstrate that mediation and other alternative dispute resolution mechanisms represent the most effective and efficient pathways for resolving music royalty conflicts in Indonesia. Such mechanisms align with the mandate of the Copyright Law and reflect practical experiences in resolving high-profile disputes within the music industry. While LMKN occupies a strategic position in Indonesia's music royalty governance, its current effectiveness is constrained by transparency gaps, operational challenges, and regulatory limitations in the digital domain. Addressing these challenges through strengthened digital infrastructure, structural reforms, and broader legal education can significantly improve royalty governance. Promoting non-litigation dispute resolution as a primary approach offers a more proportionate, less confrontational, and more sustainable solution for managing conflicts in the music industry.

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