

LIMITED ONLINE EXPLOITATION LICENCE – USER GUIDE



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1. Introduction

The PRS for Music Online Exploitation Licence (LOEL) covers a number of small scale online services. The licence is available to anyone (companies and individuals) providing music to the UK public, whose gross revenue from the service is less than £6,250 per annum, for example: Student internet websites, tribute band websites etc..

2. Rates

Limited Online Exploitation Licence rates table

Type of Music Service Where Music is the primary focus of the content, including audio only musical works, as well as limited audio-visual uses. Examples of which are: <ul style="list-style-type: none"> • Live concert performances • Combinations of a musical work with images related to the performer or composer of the work • Use of a musical work with an interview with an artist, composer, producer or other person involved in the creation of music, where the work is associated with the interviewee. 	Band A (Per Annum)	Band B (Per Annum)	Band C (Per Annum)
Limited Download/On Demand Streaming Service Users can stream specific tracks on an on demand basis, or access limited (aka 'tethered') downloads of tracks on demand	£107 (+VAT) <45,000 streams per annum	£214 (+VAT) <90,000 streams per annum	£536 (+VAT) <225,000 streams per annum
Pure Webcasting Service Continuous, programmed webcasts. Users cannot interact e.g. pause, fast forward, skip tracks or influence output by rating tracks	£107 (+VAT) <180,000 streams per annum	£214 (+VAT) <360,000 streams per annum	£536 (+VAT) <900,000 streams per annum
Premium and Interactive Webcasting Service User can interact eg. skip tracks, pause, fast-forward etc, but not select specific tracks on-demand	£107 (+VAT) <115,000 streams per annum	£214 (+VAT) <230,000 streams per annum	£536 (+VAT) <575,000 streams per annum
Permanent Download Service Users can download tracks on a permanent basis	£107 (+VAT) <2,500 downloads per annum	£214 (+VAT) <5,000 downloads per annum	£536 (+VAT) <12,500 downloads per annum
Music Podcasting Service A downloadable, audio only programme that contains both music and speech and where the podcast cannot be disaggregated into its individual tracks	£107 (+VAT) <68,000 downloaded works per annum	£214 (+VAT) <136,000 downloaded works per annum	£536 (+VAT) <340,000 downloaded works per annum

Type of service	Band AA (per annum)	Band A (per annum)	Band B (per annum)	Band C (per annum)
Clips Service	£54 (+VAT) 1 - 250 Clips Made available at any one time	£107 (+VAT) 251 - 500 Clips Made available at any one time	£214 (+VAT) 501 - 1,000 Clips Made available at any one time	£536 (+VAT) 1,001 - 2,500 Clips Made available at any one time

General Entertainment Service

Type of General Entertainment Service General Entertainment content where music is not the primary focus (i.e. distinct from audio-visual music services above) Examples of which are: <ul style="list-style-type: none"> • TV programmes • Films 	Band A (Per Annum)	Band B (Per Annum)	Band C (Per Annum)
General Entertainment: Limited Download/On Demand Streaming Service Users can stream specific tracks on an on demand basis, or access limited (aka 'tethered') downloads of tracks on demand	£107 (+VAT) <3,250 music hours* streamed per annum	£214 (+VAT) <6,500 music hours* streamed per annum	£536 (+VAT) <16,250 music hours* streamed per annum
General Entertainment: Permanent download Service Users can download tracks on a permanent basis	£107 (+VAT) <180 music hours* downloaded per annum	£214 (+VAT) <360 music hours* downloaded per annum	£536 (+VAT) <900 music hours* downloaded per annum

3. Guide to LOEL online

The Limited Online Exploitation Licence online solution is a self service ecommerce application and is made up of two main elements:

- (i) An application form for new users.
- (ii) Service details screens, which all customers must complete for each transaction.

All public users are required to register for online services before purchasing a LOEL, on completion of the application form; licensees will automatically be able to select LOEL service elements and complete the payment for the service online. At the end of the transaction the application produces downloadable copies of the licence and invoice. Once the payment process is complete, the licensee is also emailed copy of the licence and invoice.

In the case of cheque payments the licensee downloads a pro-forma invoice and returns this with the payment within a payment period of 10 days. Once the payment has cleared, PRS for music will email a licence and invoice to the licensee.

If no payment is received, the application is cancelled after 21 days.

(a) Territories

The Limited Online Exploitation Licence application is now also available to both UK and overseas registered companies. The application automatically calculates the correct VAT for UK and overseas companies i.e. 15% for all UK companies and zero percent for companies registered overseas.

(c) Restrictions

The key restrictions of the Limited Online Exploitation Licence are:

- o The licence granted is for music services provided online i.e. the licensee is a music service provider.
- o The licensee's estimated annual gross revenue from use of the licensed services does not exceed £6,250.

4. How to get your licence

On completion of the application licensees will be able to download both the licence and invoice in pdf format. A copy of the licence and invoice will be emailed to the licensee once the payment process is complete. The licensee can then download logos needed for the website.

5. Frequently Asked Questions

a. What is the difference between 'On Demand' Streaming, Pure Webcasting and Premium/Interactive Webcasting?

'On Demand' Streaming: Users can access specific tracks on an 'on demand' basis.

Pure Webcasting: Users can not interact, e.g. pause, fast forward, skip or influence output by rating tracks etc, as it is a continuous programmed webcast.

Premium/Interactive webcasting: Users can interact e.g. skip tracks, pause, fast forward etc, but not select specific tracks 'on demand'.

Please refer to the LOEL terms and conditions for more information.

b. What is the definition of a clip?

A clip is an excerpt of a musical work primarily used for preview or promotional use. The maximum allowed length of a clip is 30 seconds if the total duration of the track is five minutes or less.

(Please refer to the LOEL terms and conditions for more information).

c. What is a limited download?

A limited download is the downloading of a musical track where the track is not retained on a permanent basis. An example of this could be where a subscription service allows tracks to be downloaded, but only listened to whilst the subscriber's account is active. Other examples include downloads that "time out" after a length of time or a certain number of listens.

Please refer to the LOEL terms and conditions for more information.

d. How do I calculate the number of streams?

A 'stream' is the delivery of a complete musical work to a user, where they do not retain a copy. The number of streams is therefore determined by calculating how many times each individual streamed work has been listened to, e.g. if 100 people listen to a webcast which includes 5 musical works, the total number of streams is 500.

6. Glossary of Terms

Term	Definition
AIM	Association of Independent Music
BIP	British Phonographic Institute
CRCA	Commercial Radio Companies Association (Now radio centre)
CELAS	Centralised European Licensing and Administrative Service formed between MCP GEMA to licence EMI's repertoire throughout Europe.
DRM	Digital Rights Management
DTH	Direct To Home
DTT	Digital Terrestrial Television
GETV	General Entertainment Television
IFPI	International Federation of the Phonographic Industry
IPC	Independent Production Company
JBOLC	Joint Broadcast and Online Licensing Committee
JOL	Joint Online Licence
JPL	Joint Podcasting Licence
LM	Library Music
LOEL	Limited Online Exploitation Licence
LPEC	Library Publishers Executive Committee
LPEL	Limited Podcasting Exploitation Licence (now part of LOEL)
MNO	Mobile Network Operator (also sometimes referred to as Major Network Operator)
MP3	MPEG-1 Audio Layer 3
MSP	Music Service Providers
PEL	Pan-European Licensing
PM	Production Music
PPL	Phonographic Performance Limited
PPV	Pay Per View
QFF	Quarterly Fixed Fee
RSL	Restricted Service Licence
TOD	Territory of Destination
URL	Uniform Resource Locator
VOD	Video On-Demand
WMA	Windows Media Audio (Microsoft audio file format)

7. What happens if

e. If I use less than 30 seconds of music, do I still need a licence?

Yes, an MCPS-PRS licence is required whenever copyright music is made available online. The LOEL licence will cover you for the offering of preview clips. For more details please refer to 'What is the definition of a clip?'

f. What is the licence period for LOEL?

The LOEL is a renewable licence and currently runs from 1st January to 31 December 2009.

g. If I only operate the service for part of the year, what is the LOEL licence fee?

We will only charge you for the period of the year in which you operate, and fees will be pro-rated subject to a minimum licence fee of £54 (inclusive of VAT). In addition, you should be aware that usage limitations (such as the number of allowed streams) will also be pro-rated.

h. Are multiple URLs allowed within one licence application?

Yes, as long as the limitations within the LOEL licence are not exceeded and all URLs are controlled by the party applying for the licence. If limits are exceeded, please contact the Online Licensing Team for alternative licensing on 020 7306 4991 or at onlinelicensing@prsformusic.com

i. What happens if we've received permission from the original artist?

When an artist becomes a member of PRS (or an affiliated society) they assign their rights to PRS to administer. As such they're unable to exempt individual performances (even their own). Therefore you still require a licence to feature an artist's work on your website.

j. Do we still require a licence if we don't make any money from the website?

You have been licensed under a scheme designed for small scale operations generating little or no income. This is reflected in reduced charges.

k. What methods of payment do you accept?

We accept payment via cheque, credit or debit card.

l. Are downloads sold on my website considered for the Charts?

The Charts are compiled by the Official Charts Company – please refer to their site for more information, www.theofficialcharts.com.

m. We are a charity; do we still need a licence?

Yes, clearance to use our members' repertoire is required for all online usage. We licence all perspective applicants on the same basis across the board and do not differentiate between charities, companies or individuals.

n. I want to sell music on iTunes, do I need a licence?

We have licences in place with the major online Music Service Providers (MSPs) – Please refer to the LOEL terms and conditions for a definition - including iTunes which cover any sales they make for our members' repertoire. You will only need a licence if you wish to operate your own service.

Additional Licences

o. What happens if I exceed the streaming/downloading limits in the LOEL?

It is your responsibility to inform us if this happens. If you exceed the limitations with Band A, you will need to progress to Band B and likewise band B to C. If however, you exceed Band C limitations then you will need to obtain a Joint Online Licence.

p. Does the LOEL licence cover Podcasting?

The LOEL covers podcasting, again, in limited quantities. A band C value of £536 will cover 340,000 musical works per annum. If this quantity is likely to be exceeded the service should be licensed under the Joint Podcast Licence

q. Does the LOEL also cover Ringtones?

No, you will need to obtain separate PRS Ring tone Licences

r. Where can I get a licence to cover Music on Hold for a telephone system?

Please contact our Public Performance Sales team on 0800 068 4828 for further details.

s. I want to use background music to my webpage; what licence do I need?

You will need to clear the MCPS and PRS rights separately. Please speak to the MCPS Licensing Department on 020 8378 7500 or email them at applications@mcps.co.uk for more information on MCPS Licences. To clear the PRS rights, please contact the Online Licensing Team on 0207 306 4991 or at onlinelicensing@prsformusic.com

t. I have an Audio Product/DVD/PRS licence; do I need to be licensed separately for online music use?

The Audio Product and other licences are specific licences covering the reproduction of musical works on audio products (i.e. CDs) only. If you are providing the music on your site then you will need an online licence such as the LOEL or JOL. If you are an artist or record label selling music through services such as iTunes you will not need a licence (see 'I want to sell music on iTunes, do I need a licence?') as we regard that service as the Music Service Provider (MSP)

u. Do I need any other licences for using music online?

MCPS and PRS represent the rights in the underlying musical work itself, i.e. melody and lyrics. There is also another right relating to the specific recording of a work which is usually controlled by a record company. To clear these rights please speak to PPL (Phonographic Performance Limited), who represent the sound recording copyright holders, on 0207 534 1000 or refer to their website, www.ppluk.com / www.vpluk.com