

Public Performance Customer Consultation

Ticketed Popular Music Events
Tariff LP and Tariff DP



PRS
*for*MUSIC

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ADDITIONAL DOCUMENTS ARE AVAILABLE SEPARATELY:

- Tariff LP – current version, effective 1 July 2010
- Tariff DP – current version, effective 1 June 2010
- Tariff LC – current version, effective 1 July 2010
- Consultation response form

Welcome from our Chairman

It's been more than 20 years since Tariff LP was reviewed. A lot has changed since 1988 – from shifts in fashion to the rapid development of technology and the internet.

British music has thrived and remains popular across the globe. We are privileged to be part of British music and I recognise the important contribution made by venues and promoters to the success and growth of music.



Ensuring the royalties collection process is relevant and fair is part of protecting the success and future of music. It cannot be emphasised enough that without the song, there is nothing, but increasingly songwriters seem separated from the significant and complex value chain that is created from their work. Today, more of the music fan's money can go to the credit card company or for postage and packing, than to the people who wrote the music they want to hear. The music landscape has changed enormously and it seems only sensible to review the impact of those changes on music users and *PRS for Music* members.

I truly believe that the best solutions come from open consultation and healthy debate. We have great opportunities here: to make the system fairer, to develop a more efficient set-list collection process and to promote grass-roots live music. I hope you will want to share your views and ideas with us, to ensure we have a tariff that balances the interests of all stakeholders. We look forward to hearing from you.

A handwritten signature in black ink, appearing to read 'ERich'.

Ellis Rich
Chairman, Performing Right Society

1. Introduction

PRS for Music is running a consultation on the charges made for our licence for the use of copyright music, controlled by *PRS for Music*, at popular music events. The current relevant tariffs are Tariff LP (for popular music events) and Tariff DP (for dance parties).

The consultation will run from 15 June 2010. *PRS for Music* will review all responses to the consultation received on or before 31 December 2010 (extended from 7 September 2010). *PRS for Music* will also hold a number of meetings with stakeholders during the consultation period. Details on how to respond to the consultation can be found in Section 9.

Tariff LP was last reviewed over 20 years ago in 1988. There have been significant changes in the live music sector since then, and we feel that Tariff LP needs to be reviewed to ensure that the tariff is fair for our members (the creators of music) and our customers (the venues and promoters using music at their events). We have also been approached by certain customer groups requesting changes to the tariffs.

This consultation seeks views on proposals to address changes in the live music sector, while providing concessions for certain events and protecting and promoting music use in smaller venues.

This document sets out the areas for discussion, including:

- A review of the percentage charge and the base of income used
- A reduced minimum charge to benefit smaller venues, and new charges for events with no or low admission charges
- Discounted charges for multi-arts events with non-music content and events where accommodation or camping are included in the ticket price
- Improved definitions of music events and ticket receipts
- Improved processes for payment and audits
- Termination of Tariff DP, with all dance parties to be charged under Tariff LP

Note: Tariff LP was set by order of the Performing Right Tribunal (superseded by the Copyright Tribunal), and the tariff cannot be changed without a further order of the Tribunal. Throughout this document we refer to proposed tariff changes that may be applied. It is acknowledged that no change can be made without an application to the Copyright Tribunal.

The issue of this consultation does not obligate *PRS for Music* to implement any of the changes proposed in this document. *PRS for Music* may propose an alternative tariff following this consultation.

PRS for Music is the trading name of the Performing Right Society Ltd.

2. Considering the real value of music - reviewing “3% of receipts”

PRS for Music wants to review whether both the percentage (3%) and the base (gross ticket receipts) represent a fair charge, considering the significant changes in this market sector over the last 20 years.

Current charge under Tariff LP is 3% of gross receipts - all monies paid or payable in respect of admission charges less booking discounts and VAT.

The main aim of the consultation is to understand the economic realities of the live music sector and ensure that the tariff is fair for rights-holders and music users.

The face ticket value, for larger events, now represents a smaller proportion of the overall income from the event (considering secondary ticketing and ancillary income streams). Accordingly, our members are now receiving a lower proportion of the income compared to 20 years ago. We want to discuss the widening gap between the face value of a ticket and the total value received per attendee in association with an event, and whether our tariff needs to be updated to reflect these changes.

Despite being one of the main content providers for events, songwriters and music publishers are largely separated from the value chain created by their music. Therefore it is reasonable that, from time to time, the proportion of income passed to *PRS for Music* is re-assessed.

We want to discuss and review the following factors as part of the consultation:

- Changes in ancillary incomes associated with music events
- The rise of the secondary ticketing market
- European comparators

A ‘Which?’ survey found that booking fees and other charges added up to 30% to the price of a ticket. (May 2008)

• Ancillary Incomes

There is an extensive value chain associated with music events. There can be no doubt that our members’ music contributes significantly to a wide range of ancillary incomes.

Considering the total income generated by a music event, ticket receipts now represent a smaller proportion of that income compared with the profile in 1988.

Ancillary incomes available to venues and promoters include:

- Merchandise
- Sponsorship
- Booking fees and other charges applied at purchase
- Refreshments (direct sales or through contract with concessions)
- Parking
- Share of secondary ticketing (in certain arrangements)
- VIP packages
- Corporate hospitality
- Programmes

A number of elements in this list have changed over the last 20 years and, in some cases, value has been removed from the ticket price, to be charged separately. For example, charges associated with the purchase of the tickets are often not included in the ticket price, such as booking fees and handling charges.

Additionally the value of ancillary incomes appears to be growing at a higher rate than ticket prices, with a growth rate of 18% in 2008, compared to 13% on primary ticketing. (Adding up the music industry for 2008, Will Page and Chris Carey, *PRS for Music*, 2009).

• Secondary Ticketing

The emergence and buoyancy of the secondary ticketing market is a controversial issue which has split opinions in the live music sector. We consider that the existence and success of this market proves that the face value of a ticket does not reflect the value of that ticket, either as perceived by the music fan or as paid to attend the event.

Research suggests that the value of the secondary ticketing market is around £149m per annum (an increase of 18% over primary ticketing).

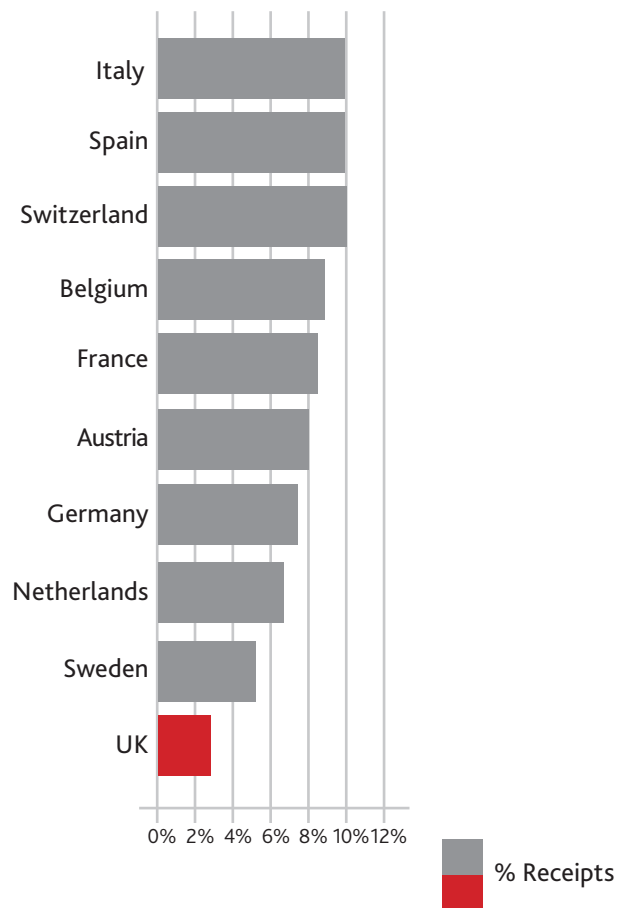
2. Considering the real value of music - reviewing “3% of receipts” (continued)

- **European Comparators**

The UK has one of the lowest rates applied to popular music concerts in Europe. Other major European societies collect up to 10% of receipts. It does not seem equitable that *PRS for Music*, providing licensing for the world-leading music event industry in the UK, applies a rate which is significantly out of step with neighbouring territories. We believe that the current rate may be unfair to our members in the UK, and to overseas composers whose works are performed in the UK.

Rates for public performance are increasingly compared by rights-holders, music users and regulators. *PRS for Music* is not providing a competitive payment for performance in the UK, and this issue is undoubtedly more relevant today than in 1988.

Fig 1: Percentage rate applied by *PRS for Music* in the UK for a performing right licence for a popular music event, compared with other collecting societies in Europe.



Of the top tours in 2009,
88% included music written or
co-written by people who
weren't on the stage*.

* based on the principal set-lists of the top 50 tours.

2. Considering the real value of music - reviewing “3% of receipts” (continued)

- **Discussing a revised charge**

PRS for Music believes that an increase in the percentage rate may be justified for some events and venues. We want to discuss this with stakeholders during the consultation period. We are proposing a progressive scale (Tables 1 and 2), as we believe larger venues and events benefit more from ancillary incomes and secondary ticketing.

In addition, we would like to discuss whether ticket receipts (less deductions and VAT) represent a fair base for charges. We do not consider that ancillary incomes such as food, drink or parking charges should be included. However, we want to discuss whether certain incomes such as booking fees and sponsorship should be included in the base.

Table 1:

Proposed progressive scale for events in fixed venues

Capacity of event	%
5,001 or more	Under consultation
501 to 5,000	Under consultation
500 or less	Under consultation

Table 2:

Proposed progressive scale for events not held in fixed venues, such as festivals

Daily Capacity of event	%
20,001 or more	Under consultation
5,001 to 20,000	Under consultation
5,000 or less	Under consultation

Questions to consider. Please provide supporting data or evidence where available.

1. Do you agree there have been significant changes in the live music market over the last 20 years? What are the significant changes?
2. Do you agree with the use of a progressive scale based on capacity as proposed? If not, what alternatives do you think would be fair?
3. Do you agree it is reasonable to consider European comparators or is there a justification for the lower percentage rate charged in the UK? In your experience, what, if any, are the significant differences between the UK market and other European territories?
4. What changes have you experienced in ancillary incomes since 1988? What ancillary incomes do you think could be considered as part of a revised base of income?
5. How has the rise of the secondary market affected your business? Do you agree there is an increasing gap between the face value of a ticket and the actual amount paid by the music fan? Do you currently sell tickets through secondary ticketing agents (or your own re-sale service) or are you planning to do so in the future?

3. Small venues and events with no/low admission charges

PRS for Music is proposing changes to reduce costs for small venues.

- **Reduced minimum charge**

PRS for Music wants to reduce the minimum charge to £15 (+ VAT) per event.

The minimum charge in Tariff LP is currently £32 (+ VAT). It is felt that where receipts are low the minimum charge can represent a disproportionately high percentage of the receipts.

- **Rate for events with no/low admission charge**

We are proposing the introduction of a capacity-based charge for events with no or low admission charges (defined as events with an average admission charge of £5 or less), in line with our other tariffs. The charge proposed is £10.00, per 100 people capacity.

This is more consistent with other tariffs which may be applied to music events.

Further details are available in Appendix C.

Questions to consider. Please provide supporting data or evidence where available.

6. What do you think about the proposed reduction to the minimum charge and the new rate for events with no/low admission charges? How will this affect your business? Do you support the proposed reduction?

The proposed change to the minimum charge could lead to reduced charges for more than **60%** of small venues.

4. Concessions

PRS for Music intends to introduce certain concessions, following customer requests. The structure of these concessions is proposed here, but we are willing to consider any practical proposals made during the consultation.

- **Proposed proportional charge for non-music content**

We are proposing the introduction of a concession for non-music content which forms part of the programme of the event/performance to which the ticket price is attributable. A discount will be calculated depending on the proportion of non-music content, as detailed below. Non-music content only includes performances using no featured music. Non-music content does not include performances such as dance, film, cabaret or theatre with interpolated music.

% of music (v. non-music content)	Discount on standard LP charge
75%+	0%
51-75%	25%
26-50%	50%
0-25%	75%

Suggested basic principles include that:

- The concession must be applied for in advance.
- Customer must provide at least 90% of programme details (including non-music content) in an electronic format. Any programme details not provided would be treated as music content.
- Multi-stage events should provide the capacity of every stage or performance area in addition; to allow the programme to be proportioned based on capacity. Areas where no programmed entertainment is provided or there are no paid performers or where additional charges are made for services cannot be included in the calculation.

- **Proposed concession for accommodation and camping**

Ticketed events where a charge for accommodation or camping is included in the ticket price may deduct the cost of provision of accommodation/camping from their declared receipts.

There are three proposed conditions:

- The inclusive charge for camping/accommodation must be advertised alongside the ticket price (e.g. advertising states that the ticket price includes a £15 charge for camping or separate tickets are available not including camping).
- The amount deducted must relate solely to the cost of providing accommodation or camping facilities, and this is subject to audit.
- The deduction cannot exceed £15 or 15% of the ticket price (whichever is lower).

Questions to consider. Please provide supporting data or evidence where available.

7. What do you think about the proposed concessions? Do you have any alternative suggestions?

5. Improved definitions

As part of any tariff review, we aim to ensure that all definitions are current and clear. We are proposing clarifications to some definitions in Tariff LP. These proposed rewordings are not intended to change the application of the tariff, either in law or in practice, nor do they represent a change in the position of *PRS for Music*.

- **Definition of a music event**

We are proposing a clarification that Tariff LP applies to any event where popular music is the principal entertainment, or where popular music is one of the principal elements of entertainment.

- **Clarification of ticket receipts**

We want to clarify that the licensee must declare all income received from ticket receipts sold by the venue, the organisers, the performer, and any agents appointed by them or selling tickets on their behalf. Any ticket sales where the venue or organiser (or any other person involved directly with the organisation of the event or acting on their behalf) benefits directly or indirectly are included in ticket receipts. The full price charged at the time of sale must be declared.

We can also clarify that no deductions apart from those specifically defined in the tariff are allowed, regardless of what other elements may be included in the ticket price.

- **Arrangements for complimentary tickets**

Where complimentary tickets have been provided at no charge to a ticketed event (for example, guest passes or where workers receive a ticket in lieu of payment) or where any audience members are admitted at no charge (for example, accompanying children), it is not clear that these audience members are covered by the current tariff. Therefore we are proposing to clarify the tariff by requesting that the number of such admissions is declared. These admissions will be charged based on the average receipts per admission (where admission has been charged), as declared for the event.

Further details are available in Appendix C.

Questions to consider:

8. Do you have any comments on the proposed clarifications?

6. Improved governance and process

- **Programme returns**

PRS for Music is keen to review the process for the collection of set list details, to simplify and reduce the activities undertaken by licensees and *PRS for Music*.

It is not proposed, at this stage, to change the requirement for the licensee to provide programme details. As part of this review, *PRS for Music* would be grateful for your suggestions on improving the current process.

- **Revision of payment terms**

The current Tariff LP requires payment within two days of the event based on 75% of the ticket-holding capacity (with the balance based on actual receipts due within 28 days) or within seven days based on a total declaration of receipts. While the majority of venues and events make payment promptly, we do have a particular issue with some venues and festivals who are unable or unwilling to pay the licence fee.

We want to reduce the contractual burden on existing customers who make regular payments, while continuing to protect our members from those who fail to make payment.

Where a venue has an ongoing licence and payment has been made on time and programme details have been provided on time, *PRS for Music* will not require payment of the licence fee within two days.

All new licensees charged under the proposed tariff, must pay their estimated licence fee at least 7 days before the date of the event.

In addition, venue proprietors and event organisers with existing licences, who do not meet their obligations under the contract to make payment or provide programme details, will be treated as new licensees, and required to make payment in advance until a reliable payment record has been established.

- **Higher Royalty Rate**

We are suggesting the introduction of a Higher Royalty Rate (HRR) to Tariff LP. The HRR is the standard charge plus 50% and applies to events where a licence has not been obtained in advance to permit use of our copyright music at the event.

Tariff LP is one of the few *PRS for Music* tariffs not to include a defined HRR and it is reasonable to ensure that the tariff is consistent with other tariffs.

It is the music user's responsibility to obtain permission for their use of any copyright material. The HRR helps *PRS for Music* cover the costs of identifying and contacting users who have not applied for a licence for their music use.

- **Changes to audit provisions**

PRS for Music currently has the right to audit ticket receipt information provided by the customer and we wish to discuss the following additions:

- On request, and no more than once per year, the licensee may be asked to provide a schedule certified by an accountant, confirming the total receipts (as defined) for any or all events covered by the licence issued.
- If any discrepancy is discovered in the declarations made, the licensee will pay the outstanding charges based on the correct figures, plus interest. In these circumstances, the licensee will also bear *PRS for Music's* cost of the audit.

Further details are available in Appendix C.

Questions to consider regarding set-lists:

9. What do you think about the current process for set-list collection? Do you have any suggestions for improving the current set-list process? For example, would you be willing to submit set-lists online?
10. Do you think it's reasonable to take steps to protect music creators from events and festivals that refuse to pay a licence fee or do not make timely payments?
11. Do you have any comments on the proposal to add a Higher Royalty Rate to the tariff?
12. What do you think about the proposed amendments to the audit process? Do you think the approach is fair and reasonable for rights-holders and customers?

7. Termination of Tariff DP (Dance Parties)

We are proposing the termination of Tariff DP. All events currently charged under Tariff DP will be charged under Tariff LP (or other applicable charge).

Tariff DP has been included in the review as many events that are currently charged under Tariff DP have developed to a level where they are not significantly different from other festivals, and contain a notable element of live music or recorded music performed by headline acts.

In 2009, 16 events were charged under Tariff DP, of which only seven were charged on the capacity-based rate.

Of these seven events, at least three had headline live music performers.

Questions to consider:

13. Do you think 'recorded music events' need their own tariff or different charges to other ticketed music events? If yes, how should this charge differ to the standard charges under Tariff LP?

14. Do you have any comments or suggestions not covered by the consultation document?

15. Do you have any comments on the tariff document provided in Appendix C?

8. Overview of current tariffs

Current versions of these tariffs are online at:
www.prsformusic.com/customerconsultation.

- **Tariff LP**

Tariff LP was set in 1988 by the Performing Right Tribunal (now superseded by the Copyright Tribunal).

The tariff applies to popular music concerts (LP stands for Light and Popular), charging 3% of gross receipts per event. A separate tariff, Tariff LC, applies to classical music concerts.

Gross receipts are defined as "all monies paid or payable in respect of admission charges in connection with any entertainment to which this tariff applies, less library and party booking discounts and Value Added Tax or any other government tax or imposition of like nature for the time being in force".

The tariff requires declaration of ticket receipts and any deductions, and the right to audit this information.

PRS for Music can ask for payment (on account) within two days of the event.

The tariff requires the provision of programme details, immediately after each event.

More than 30,000 events are licensed under Tariff LP each year, from stadium tours to gigs in small venues, from huge rock festivals to village folk festivals.

- **Tariff DP**

Tariff DP was introduced by *PRS for Music* in 1994.

Tariff DP applies to events where music is performed "wholly or principally" by recorded means and a charge is made for admission. Originally the charge was applied to events such as raves, and festivals that had developed from club nights, where entertainment was provided exclusively by DJs.

The tariff provides two options for licensees who apply for a licence at least 14 days in advance. Licensees may choose to be charged 3% of gross receipts or a daily charge based on the capacity of the event (the capacity based charge is not available to events with a capacity of 2499 or lower). If a licence is not applied for in advance, the capacity-based charge is not available. The capacity rate may result in a lower charge compared to Tariff LP. In 2009, 16 events were charged under Tariff DP, of which only seven were charged on the capacity-based rate.

Gross receipts are defined as "all monies paid or payable in respect of any form of admission charges in connection with any event to which this tariff applies, less Value Added Tax or any other government tax".

- **Tariff LC**

Tariff LC applies to classical music events. We are not reviewing this tariff as part of the consultation – this information is provided only to avoid confusion.

The current version of Tariff LC received a Consent Order from the independent Copyright Tribunal in 2003, following a successful mediation between *PRS for Music* and representative organisations. Tariff LC applies to classical music events and includes a headline rate of 4.8% of receipts.

9. How to respond to the consultation

All the details of this review, and any updates, are available on our website:

www.prsformusic.com/customerconsultation

An invitation to participate in the consultation will be sent to all customers recently charged under Tariffs LP and/or DP, and identified representative bodies and other stakeholders. In addition, we will also be holding meetings with various stakeholders during the consultation period.

Written responses can be posted to:

Tariff Consultation Responses

PRS for Music

Copyright House

29-33 Berners Street

London W1T 3AB

Or by email to: customer.consultation@prsformusic.com

All responses should be received by 31 December 2010 (extended from 7 September 2010).

Respondents should complete a response form to allow *PRS for Music* to review their comments more efficiently. The form is available to download on the consultation webpage.

We will consider any comments we receive but would ask you to consider all the questions asked throughout the consultation document and provide answers where you can. If you would like us to keep your response confidential, or if you wish to provide confidential data in support of your response, please let us know using the response form.

Updates will be available at

www.prsformusic.com/customerconsultation

throughout the consultation period.

You can register for email updates about this consultation by sending an email, with 'Email Updates' in the subject heading, to:

customer.consultation@prsformusic.com

Following the end of the consultation period, a summary of responses will be published on the website on or before 18 February 2011.

ADDITIONAL DOCUMENTS ARE AVAILABLE SEPARATELY:

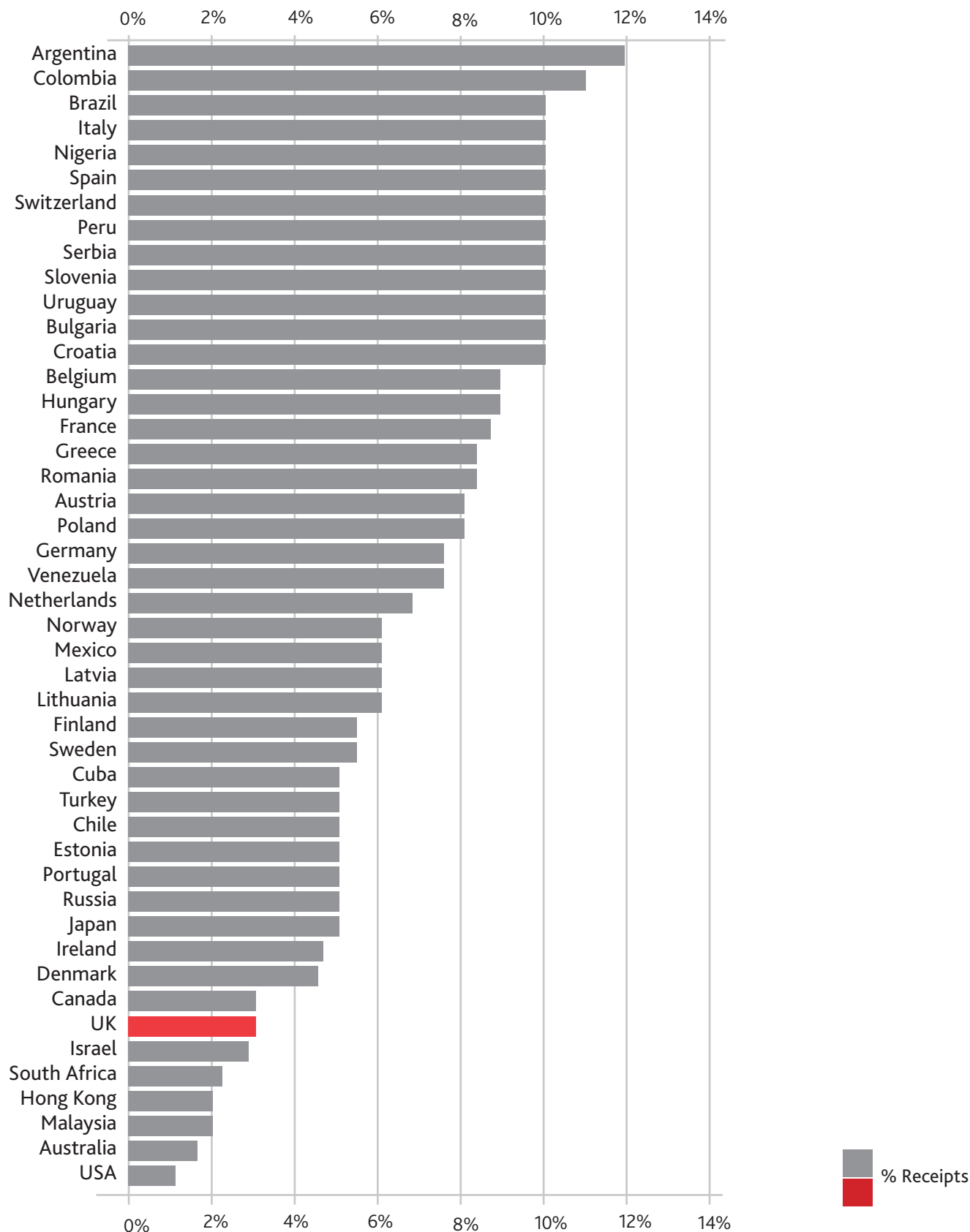
- Tariff LP – current version, effective 1 July 2010
- Tariff DP – current version, effective 1 June 2010
- Tariff LC – current version, effective 1 July 2010
- Consultation response form

Appendix A: Consultation Questions

1. Do you agree there have been significant changes in the live music market over the last 20 years? What are the significant changes?
2. Do you agree with the use of a progressive scale based on capacity as proposed? If not, what alternatives do you think would be fair?
3. Do you agree it is reasonable to consider European comparators or is there a justification for the lower percentage rate charged in the UK? In your experience, what, if any, are the significant differences between the UK market and other European territories?
4. What changes have you experienced in ancillary incomes since 1988? What ancillary incomes do you think could be considered as part of a revised base of income?
5. How has the rise of the secondary market affected your business? Do you agree there is an increasing gap between the face value of a ticket and the actual amount paid by the music fan? Do you currently sell tickets through secondary ticketing agents (or your own re-sale service) or are you planning to do so in the future?
6. What do you think about the proposed reduction to the minimum charge and the new rate for events with no/low admission charges? How will this affect your business? Do you support the proposed reduction?
7. What do you think about the proposed concessions? Do you have any alternative suggestions?
8. Do you have any comments on the proposed clarifications?
9. What do you think about the current process for set-list collection? Do you have any suggestions for improving the current set-list process? For example, would you be willing to submit set-lists online?
10. Do you think it's reasonable to take steps to protect music creators from events and festivals that refuse to pay a licence fee or do not make timely payments?
11. Do you have any comments on the proposal to add a Higher Royalty Rate to the tariff?
12. What do you think about the proposed amendments to the audit process? Do you think the approach is fair and reasonable for rights-holders and customers?
13. Do you think 'recorded music events' need their own tariff or different charges to other ticketed music events? If yes, how should this charge differ to the standard charges under Tariff LP?
14. Do you have any comments or suggestions not covered by the consultation document?
15. Do you have any comments on the tariff document provided in Appendix C?

Appendix B: Considering European and Global comparators

Fig: Rates applied for public performance at pop concerts in territories worldwide



Notes:

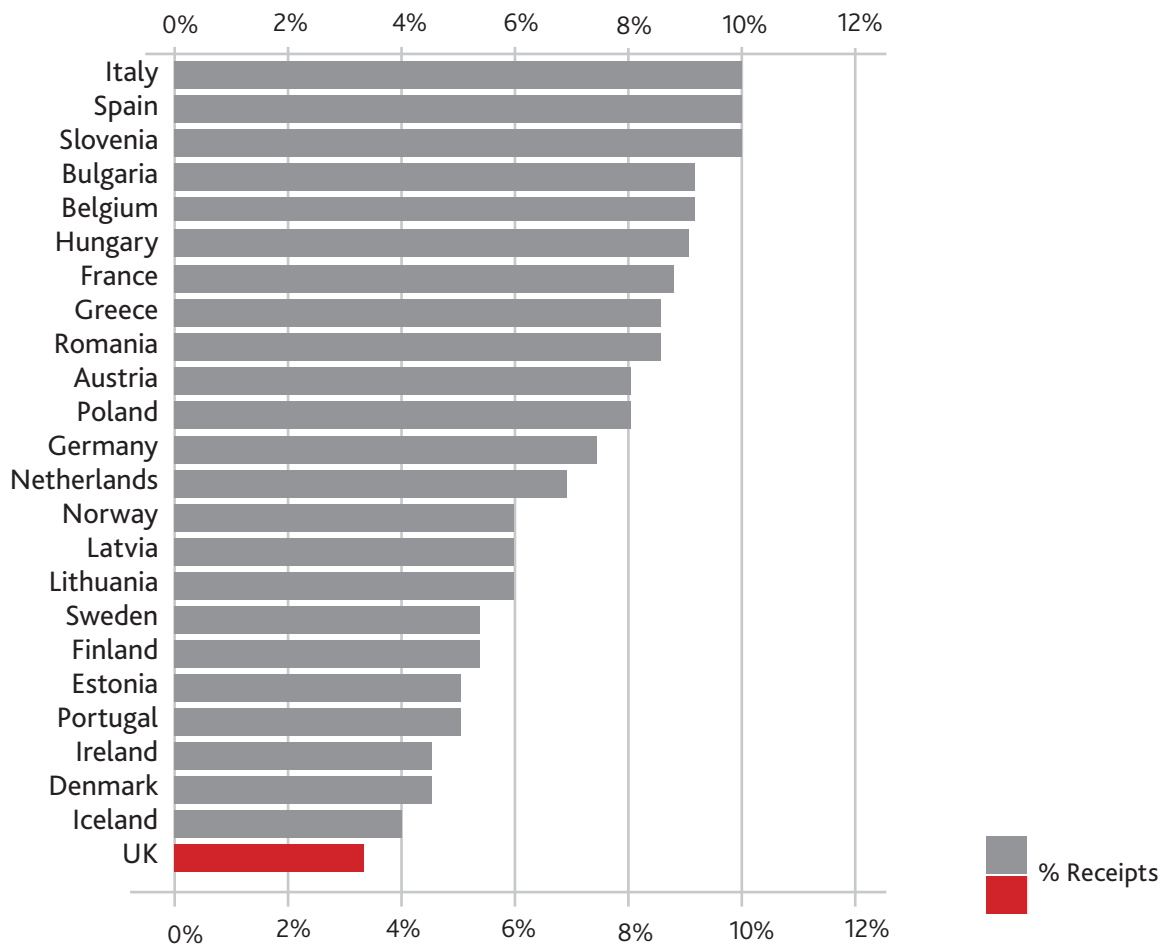
'% of receipts' refers to the percentage of receipts charged – the definition of receipts charged varies.

Some societies have different conditions and concessions which apply. This table is based on the published headline rates.

Where a range of charges are published, the midpoint is used in this table as an indicator.

Appendix B: Considering European and Global comparators

Fig: Rates applied for public performance at pop concerts in other territories within the EEA



Notes:

'% of receipts' refers to the percentage of receipts charged – the definition of receipts charged varies.
 Some societies have different conditions and concessions which apply. This table is based on the published headline rates.
 Where a range of charges are published, the midpoint is used in this table as an indicator.
 Not all EEA countries are included on this graph. Germany information is based on GEMA rates for 2014.



Appendix C: Proposed Tariff Structure

Popular music events

Applies to: events where the performance of popular music* is the principal entertainment, or one of the principal entertainments provided.

This tariff does not apply to theatrical performance, variety, revue or pantomime.

The royalty rates are effective from the date of this tariff and are shown **exclusive of VAT**.

The higher royalty rate (standard plus 50%) is payable where the music user has not obtained our licence before musical performances commence.

1. Events including controlled works*

Charges apply per event including the performance of controlled works, irrespective of the controlled copyright content.

		Capacity*	Standard Rate % of gross receipts*
1.1	Events with admission charge held in a fixed venue	500 or less	Under consultation
		501 to 5000	Under consultation
		5001 or more	Under consultation
		Daily Capacity*	Standard Rate % of gross receipts*
1.2	Events with admission charge not held in a fixed venue (e.g. festivals & outdoor events)	5,000 or less	Under consultation
		5,001 to 20,000	Under consultation
		20,001 or more	Under consultation
1.3	Events with no / low admission charge Where an event has no admission charge or an average admission charge* of £5.00 or less		Standard Rate £10.00 per 100 persons capacity

2. Reduced charge for non-music content

The charges applied to events under Sections 1.1 and 1.2 can be reduced on application based on the proportion of music content compared to non-music content*.

% of music (compared to non-music)	Discount on charge under 1.1 and 1.2
75%+	0%
51-75%	25%
26-50%	50%
0-25%	75%

- The reduced charge must be applied in advance.
- At least 90% of programme details must be provided in electronic format.
- The licensee must provide full programme details for the event, with non-music indicated.
- Programme details can only be provided for times when there is a performance. Non-music does not include time between performances or time taken to introduce performances.
- Festivals and multi-stage events must provide a list of stages/performance areas, the programme details for each stage/area and the capacity of each area. Areas where no programmed entertainment is provided or where an additional charge is made cannot be included. A copy of the programme provided to attendees should also be provided.

*See Definitions (Section 12)

3. Reduced charge for accommodation and camping

Events charged under Sections 1.1 or 1.2 where a charge for accommodation or camping is included in the ticket price, may deduct the cost of provision of accommodation/camping from their declared receipts, with the following conditions:

- The deducted amount must be declared to *PRS for Music*.
- The inclusive charge for camping must be advertised alongside the ticket price.
- The amount deducted must relate solely to the cost of providing accommodation or camping facilities, and this is subject to audit.
- The deduction cannot exceed £15 or 15% of the ticket price (whichever is lower).

4. Minimum royalty

	Standard Rate
Minimum permit royalty	£15.00
Minimum charge per event, under 1.1 and 1.2	£15.00

5. Complimentary tickets and free admissions at ticketed events

The licensee must declare for each event the number of tickets which has been issued, where no charge was applied. This may include, for example, complimentary tickets and any tickets included in hospitality or corporate packages.

Tickets provided as part of corporate hospitality and long-term seat/box hire will be charged at the highest value ticket price advertised for the performance.

All other complimentary tickets will be charged based on the average receipts per admission, as declared.

6. Applications for licences and permits

An applicant for a licence or permit under this tariff shall provide information to *PRS for Music* as required under this tariff, including such information as may be required to determine whether this tariff is applicable.

PRS for Music is not bound to issue a licence or permit under this tariff unless application has been made advance of the event taking place.

7. Programme details

Licensees under this tariff will be required to send to *PRS for Music* immediately after each entertainment, on *PRS for Music's* prescribed form, particulars of all musical works performed at the entertainment.

8. Manner of payment

8.1 For events with an established payment record*

No later than 28 days after the event has taken place the licensee shall provide to *PRS for Music* all details of gross receipts and any other information required under this tariff required to calculate the charge, using *PRS for Music's* prescribed form. For certain events, *PRS for Music* reserves the right to require provision of these details in a period of less than 28 days. Licensees will be notified in advance of any such events.

Upon receipt of this declaration, *PRS for Music* shall calculate the charge payable and shall notify the licensee of the amounts calculated.

*See Definitions (Section 12)

8.2 For events without an established payment record*

At least 7 days before the event takes place, the licensee shall pay to *PRS for Music* a sum on account calculated using the applicable charge under Section 1 and assuming that all tickets are sold at face value.

No later than 28 days after the event has taken place the licensee shall provide to *PRS for Music* all details of gross receipts and any other information required under this tariff required to calculate the charge, using *PRS for Music's* prescribed form. For certain events, *PRS for Music* reserves the right to require provision of these details in a period of less than 28 days. Licensees will be notified in advance of any such events.

Upon receipt of this declaration, *PRS for Music* shall calculate the charge payable and shall notify the licensee of the amounts calculated.

Any payment due from the licensee or *PRS for Music* as a result of setting off the payments made on account shall be paid by the party from whom it is due within 28 days from the notification to the licensee of the amount of the charge.

9. Right to audit

PRS for Music shall have the right of free entry to the place of performance on the occasion of each event solely for the purpose of checking the particulars on which the charges under the licence or permit are assessed.

PRS for Music shall have the right to audit any of the particulars provided by the licensee on which the charges under the licence or permit are assessed, for which purpose the licensee shall make available to the auditor all the necessary records and the books of account.

On request, and no more than once per year, the licensee may be asked to provide a statement certified by an accountant, qualified to be appointed auditor to a public company, showing the gross receipts for any or all events covered by the licence issued and the details of any deductions made, and confirming any information declared by the licensee in relation to this tariff, with satisfactory proof of such amounts.

If any discrepancy is discovered in the declarations made, the licensee will pay the outstanding charges based on the correct figures, plus interest calculated on a daily basis at the rate of 8% per annum above the base lending rate in the United Kingdom of the Bank of England for the time being in force, without prejudice to *PRS for Music's* rights. In these circumstances, the licensee will also bear *PRS for Music's* cost of the audit.

*See Definitions (Section 12)

10. VALUE ADDED TAX

Every Licensee under the *PRS for Music's* tariffs will pay to *PRS for Music* in addition to the royalty due, a sum in respect of Value Added Tax calculated at the relevant rate on the royalty payable.

11. INFLATION ADJUSTMENT

Every year on [] the monetary sums in this tariff will be adjusted for inflation. The adjustment formula will apply to the standard rates the mean (to the nearest whole percentage point) of the percentages by which the Retail Prices Index and the Average Earnings Index (unadjusted) change in the year to the previous [].

[] is the latest month prior to the anniversary date for which figures are likely to be published for both indices.

All royalty rates will be rounded up to the nearest £0.10.

All royalties will be charged at the royalty rate in force at the beginning of the licence-year.

12. DEFINITIONS

- **capacity** means the total number of tickets made available for admission to an event, regardless of whether or not an admission price is charged for the ticket or whether the tickets are sold. Where admission to an event does not require a ticket to be issued, the capacity shall be the maximum number of persons which can be admitted to the event, as permitted under any regulations.
- **controlled works** means any copyright musical works the rights in which are assigned to or controlled by *PRS for Music* or our affiliates.
- **established payment record** means that the licensee has previously held a licence from *PRS for Music* for the event in question, and has met the obligations of the tariff and made payment within the contracted timescale.
- **gross receipts** means all monies paid or payable in respect of all tickets receipts at the point of sale where there is any agreement between the venue, organisers, or performer at the event plus [to be discussed as part of consultation], less Value Added Tax or any other government tax or imposition of like nature for the time being in force. Gross receipts also includes any value calculated for tickets issued at no charge to the attendee.
- **non-music content** means any entertainment provided by performers as part of the programmed event, which does not include music. Music includes any performance of music by any means, irrespective of copyright or PRS-controlled content.
- **popular music** means all copyright music and all copyright words or lyrics set to music but does not include what is usually known as "classical" or "serious music".
- **PRS for Music** is the Performing Right Society Ltd, trading as *PRS for Music*.

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