



# PRS for Music Exhibitions, industry trade shows and consumer fairs tariff consultation

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# 1. Introduction

Performing Right Society Limited (PRS) is undertaking a consultation on the introduction of a revised tariff designed specifically for the use of copyright music and Mechanical Copyright Protection Society (MCPS) controlled non-commercial sound recordings\* (often known as "library" or "production music") during exhibitions, industry trade shows, consumer fairs, fashion shows, music themed cultural exhibitions and fan conventions e.g., ComiCon.

The consultation is being run in accordance with the *PRS for Music* Code of Conduct. This outlines our commitment to issue fair, reasonable and proportionate consultations when proposing to introduce a new tariff or to make significant changes to an existing tariff. Our aim is to set reasonable terms and to apply and administer all licensing schemes fairly and consistently. The Copyright Tribunal has jurisdiction over all existing and proposed licensing schemes operated by us.

The consultation will run for a period of 3 weeks from 7<sup>th</sup> February until 28<sup>th</sup> February 2023. We will review all responses received on or before the closing date. Details on how to respond to the consultation can be found in Section 5.

This consultation does not affect the licence required for the commercial sound recordings, when recorded music, including radio and TV, is played in public. This will be covered by one of PPL's (Phonographic Performance Limited) tariffs which are administered along with our own by PPL PRS Ltd, a joint venture set up by *PRS for Music* and PPL in 2018.

\* Production music sound recording rights controlled by the Mechanical-Copyright Protection Society (MCPS) on behalf of its production music library members. Please note that PPL does not represent the rights to any production music sound recording members repertoire, therefore the inclusion of these rights within the tariff will ensure all necessary rights within repertoires are appropriately covered.

## 2. PRS for Music and MCPS

Performing Right Society Limited which trades under the name of *PRS for Music* represents the rights of over 160,000 songwriters, composers and music publishers in the UK. As a membership organisation we ensure creators are paid whenever their music is played, performed or reproduced and champion the importance of copyright to protect and support the UK music industry. We provide businesses and community groups with easy access to over 10 million songs through our music licences. We are one of the world's most efficient performing rights organisations. With over 100 representation agreements in place globally, our network represents over two million music creators. After deducting running costs, the income received from licence fees is distributed to members.

The Mechanical Copyright Protection Society (MCPS) collects and distributes mechanical royalties to songwriters, composers and music publishers when their works have been copied or reproduced. Mechanical royalties are generated when a musical work is reproduced onto CD, vinyl, DVD and Blu-ray, downloaded and streamed or synchronised into a TV programme.

For businesses and organisations, we play a valuable role. Members have entrusted us to make their copyright music and songs available to be used in exchange for fair remuneration and we provide the required licences for this in a simple and cost-effective way. This gives businesses and individuals the right to use millions of copyright songs from around the world, without the need to negotiate individual licensing terms for these works with the songwriters or publishers.

We survey thousands of businesses to find out what music they are playing. Similar music use information is also supplied by TV and Radio broadcasters, as well as concert venues. Based on this information, we distribute royalties to the composers and publishers of the music that has been played.



### 3. Rationale for the proposal

PRS for Music is consulting on its intention to introduce a new tariff “Tariff EX” for exhibitions, industry trade shows, consumer fairs, fashion shows, music themed cultural exhibitions and fan conventions.

We are seeking your views on the following:

1. The benefit of introducing a new consolidated tariff for all temporary exhibitions irrespective of the type of venue where the exhibition or event is held
2. Our policy to license exhibition organisers for the use of background music on stand (rather than the individual stand-holders) and in any off-stand areas
3. Our approach to licensing the public performance of production music sound recordings (PMSR) within exhibitions
4. Our proposal to license ticketed cultural exhibitions where music comprises an integral feature

#### The current approach:

We currently apply different tariffs to license the public performance of music at exhibitions, industry trade shows, consumer fairs, fashion shows, music themed cultural exhibitions and fan conventions dependant on the type of venue where the event is held. This has resulted in different royalty rates being applied to our customers for similar uses of copyright music.

**Tariff X** is the primary tariff for the licensing of music at trade exhibitions held at dedicated exhibition venues. The tariff contains royalty rates for background music and performances of live music.

- Background music on exhibition stands is charged based on a fixed royalty per stand per day; currently £28.58 ([Tariff X 2022](#)). This royalty is currently charged via a licence permit to the exhibitor/stand holder.
- Additional use of ‘off stand’ background music (played in circulating areas throughout the exhibition venue) is charged to the exhibition organiser on a daily rate based on the floor area of the exhibition space and split into following three bands.

**Figure 1. Tariff X (Background Music using audio and/or audio-visual devices)**

Floor area	Daily royalty rates (2022)
up to 150 sqm	£31.15
151 – 200 sqm	£41.61
200 sqm and above	£52.02

Live music performances where there is an expenditure on acts is charged at 6% of such expenditure  
Live performances without expenditure are charged on a per session basis based on room size with

royalty rates starting from £11.48 for the first 100 persons capacity. All live performances are currently charged to the exhibition organiser on a permit basis.

We apply our **General Purposes tariff (Tariff GP)** to cover all performances of music at temporary exhibitions, fashion shows and cultural exhibitions within licensed venues such as arts centres and conference centres. The royalty rates are based on the floor area of the exhibition space and split into four bands as demonstrated below in Figure 2.

**Figure 2. Tariff GP (Indoor exhibitions, trade & fashion shows) royalty rates**

Floor area	Daily royalty rates (2022)
Up to 100 sqm	£19.46
101 to 150 sqm	£29.11
151 – 200 sqm	£38.89
Over 200 sqm	£48.62

#### **Ticketed featured music cultural exhibitions**

Ticketed featured music cultural exhibitions at museums and other types of venue where a particular artist or group’s work forms an integral feature of the exhibition are currently charged using the Tariff GP daily indoor exhibitions royalty rates illustrated above in Figure 2.

#### **Royalty rates**

Our public performance tariffs applied to exhibitions, industry trade shows, consumer fairs, fashion shows, music themed cultural exhibitions and fan conventions have been in use for many years. However, the value of our royalty rates has not increased beyond the annual inflationary adjustments stipulated within each tariff.

Where possible, we seek to align our tariff metrics and royalty rates to ensure our customers are charged similar amounts for comparable uses of music. The uplifted royalty rates in this revised tariff align with similar music usage charged for in comparable public performance tariffs such as in-store events charged for in our Shops and Stores tariff ([Tariff RS](#)), equivalent events at agricultural shows charged under our Agricultural Shows tariff ([Tariff AS](#)) (e.g., a farmers’ market) or fashions shows charged under our Hotels, Restaurants and Cafes tariff ([Tariff HR](#)).

## 4. Proposals and impact

### Our Licensing policy

*PRS for Music* intends to issue its licence directly to the exhibition or event organiser responsible for hiring the venue or hosting the exhibitions, industry trade shows, consumer fairs, fashion shows, music themed cultural exhibitions and fan conventions. We expect the organiser to be liable for paying royalties for the use of all music during the course of the event including the use of on stand and off stand music during the event. We anticipate this approach will provide several benefits for individual exhibitors, organisers and *PRS for Music* members including:

- Facilitates a simpler method for individual exhibitors and exhibition organisers to meet their collective music licence obligations
- Alleviates the administrative burden from individual exhibitors for obtaining licences directly from PPL PRS
- Reduces confusion at the point of sale for customers as this approach aligns with PPL's policy for directly licensing exhibition organisers via PPL PRS
- *PRS for Music* members will benefit from a more effective and efficient method of collecting royalties from exhibitions, industry trade shows, consumer fairs, fashion shows, music themed cultural exhibitions and fan conventions

PPL PRS will only issue our licence to the venue if the event has been organised by the venue.

### **The new Exhibitions, industry trade shows and consumer fairs tariff "Tariff EX" is set out in full below**

#### **Tariff scope:**

Tariff EX will be applied to license the public performance of all musical works and production music sound recordings (PMSR – see page 9) at exhibitions, industry trade shows, consumer fairs, fashion shows, music themed cultural exhibitions, fan conventions and similar temporary exhibitions and events, irrespective of venue type. This includes venues currently charged under Tariff GP such as trade shows in conference centres and arts centres.

## **Tariff exclusions:**

This tariff does not apply to permanent exhibitions at art galleries, museums and similar venues, performances of music in staff only areas at the venues, separate hospitality areas such as bars, cafes hotels and restaurants, or any featured use of music including any live or DJ led performances. This music usage will be charged under the *PRS for Music* tariffs applicable to that use.

## ***PRS for Music* and MCPS rights granted in Tariff EX**

1. The public performance of background music using audio and/or audio-visual devices on individual exhibition stands and any off stand circulating areas.
2. The public performance of production music sound recordings (PMSR). Production music refers to recorded music owned by production music libraries and is generally licensed for the use within productions for corporate videos or presentations, television, films, film trailers, radio, online, advertising, promotional videos used on individual exhibition stands and in any off-stand areas.

PPL does not represent the rights to production music sound recording (PMSR) repertoire. The MCPS inclusion of the rights within Tariff EX will ensure all necessary rights of PMSR are appropriately covered.

For the avoidance of doubt, Tariff EX does not include the reproduction or synchronisation rights for the use of music in any corporate or promotional videos. The synchronisation rights can be obtained under a separate licence either directly from the rightsholders or via our [website](#) where *PRS for Music* are mandated to do so.

## **Proposed Tariff EX royalty rates**

- 1. Public performance royalty rate for the use of background music and production music sound recordings (PMSR) on exhibition stands**

Daily royalty rate (£50.00 per stand)

This royalty rate is now broadly aligned with similar music usage royalty rates in our other public performance tariffs, such as in-store events charged for in our Shops and Stores tariff ([Tariff RS](#)). An exhibition held in a retail store could be charged up to £47.10 per day dependent upon the store size, subject to a minimum permit royalty rate of £50.50.

To reduce administration at the point of sale, we are providing a combined rate that covers exhibitors for the playing of any audio and/or audio-visual devices and the use of any production music sound recordings. For clarity, the royalty rate payable will be broken down as follows in Figure 3:



**Figure 3. On stand royalty rate**

<b>PRS for Music and MCPS rights granted</b>	<b>Royalty rate breakdown</b>
Background music played via any audio and/or audio-visual devices	£47.50
The use of production music sound recordings	£2.50
<b>Total royalty rate</b>	<b>£50.00</b>

## **2. Public performance royalty rates for the use of off-stand music and fashion shows**

The combined royalty rates for the playing of any audio and/or audio-visual devices and the use of any production music sound recordings in any off-stand areas and fashion shows will be as follows:

**Figure 4. Off-stand and fashion shows royalty rates**

<b>Floor area size</b>	<b>Background music played via any audio and/or audio-visual devices</b>	<b>The use of production music sound recordings</b>	<b>Combined daily royalty rate</b>
up to 150 sqm	£51.30	£2.70	<b>£54.00</b>
151 – 200 sqm	£69.35	£3.65	<b>£73.00</b>
200 sqm and above	£86.45	£4.55	<b>£91.00</b>

## **3. Production music sound recordings (PMSR) on exhibition stands**

Production music sound recording royalty rates will be valued at 5% of the combined public performance rate for on stand or off stand music (illustrated in Figures 3 and 4)

## **4. Featured Music**

The charging of live music and featured recorded performances will sit outside the scope of Tariff EX. The royalty rates for this usage should be consistent with similar uses within the hospitality sector so we will apply the following royalty rates from [Tariff GP](#).

**Figure 5. Summary of Tariff GP featured music royalty rates**

Type of music usage	Charging metric	Royalty rates
Performances of live music e.g. bands, singers	Royalty per event, which scales upwards dependent the capacity of the area where the performances take place	Starts from £12.28 per event*
Featured recorded music e.g. DJs		Starts from £12.28 per event*

*\*Please note these royalty rates are based on the current 2022 version of Tariff GP and will be adjusted annually in line with inflation.*

## **Ticketed featured music themed cultural exhibitions**

We intend to develop a new charging metric to calculate royalties to license temporary ticketed featured music themed cultural exhibitions at museums and other types of venue. At this stage we are seeking feedback from our customers and any other interested parties on their preferred metric to license these types of exhibitions. After we have established the preferred charging metric, we intend to reengage with respondents to solicit views on our proposed royalty rates.

*We have suggested three options to be considered:*

1. A percentage of total ticket receipts from the exhibition
2. Fixed fee per person admitted to the exhibition
3. Fixed fee per day based on the size of the exhibition space

Royalties from ticketed music cultural exhibitions will be distributed by a separate ringfenced arrangement to provide a more accurate flow of royalties to members whose music was played or performed. To achieve this, we would require customers to provide accurate details of the music played at these exhibitions. We are also seeking views on how practical this will be for our customers.

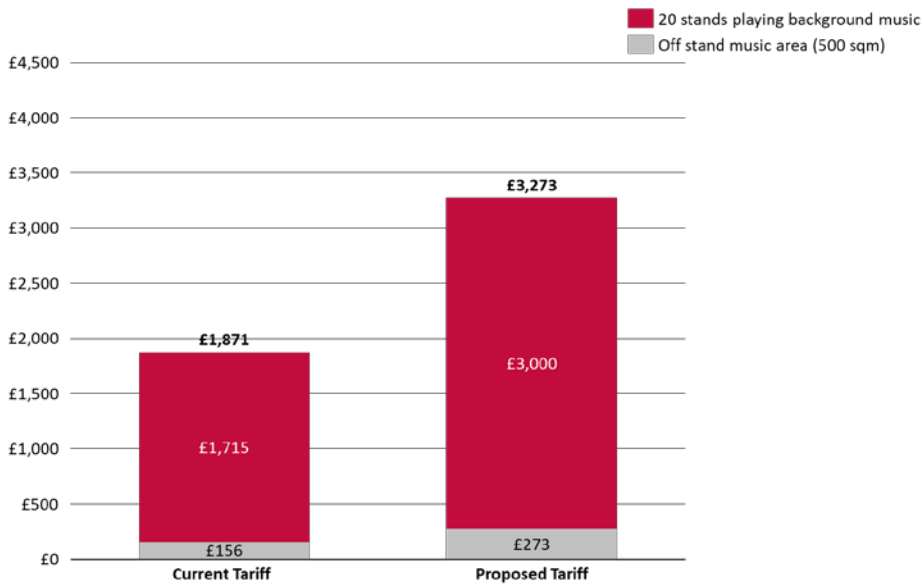
## Impact of the proposal

We have compared royalty rates under the current Tariffs X & GP and the proposed Tariff EX to illustrate the impact of the proposals in the following representative examples.

### Example 1

A three-day exhibition with 20 stands playing background music and off stand music area (500 sqm)

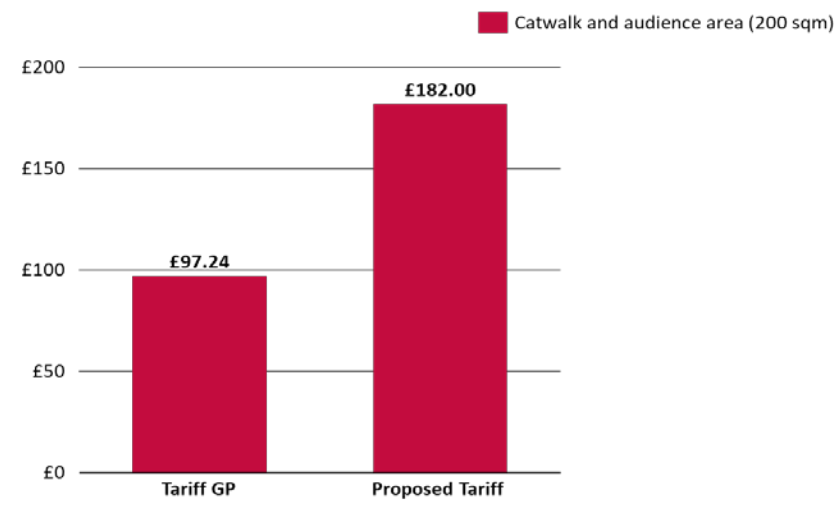
**Figure 6 Comparison of an exhibition organiser assessed under Tariff X and the proposed Tariff EX**



### Example 2

A two-day fashion show using background music in an exhibitions centre with an (audible) audience area around the catwalk of 200 sqm

**Figure 7 Comparison of arts centre assessed under Tariff GP and the proposed Tariff EX**



## 5. How to respond to the consultation

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

**[www.prsformusic.com/exhibitionsconsultation](http://www.prsformusic.com/exhibitionsconsultation)**

Respondents should complete the response form on the website above.

Or by email to: [tariffsfeedback@prsformusic.com](mailto:tariffsfeedback@prsformusic.com) Please entitle your response 'Tariff EX Consultation'

Or visit: [www.prsformusic.com/exhibitionsconsultation](http://www.prsformusic.com/exhibitionsconsultation)

**The closing date for the consultation is 28<sup>th</sup> February 2023.**

We will consider all comments received by the closing date. We have provided some questions for you to consider when formulating your response which can be found on the website above. 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 by stating this on the response form.

This consultation does not obligate us to implement any of the changes proposed and we may propose an alternative tariff in the light of responses to this consultation.

### Next Steps

Following the closing date of the consultation. We will review all of the responses and publish a summary on our website. We will seek to hold discussions with customers and representative bodies, as required, and announce a new tariff based on the consultation feedback and subsequent discussions.



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