



PRS for Music
Exhibitions, Industry trade shows
and Consumer fairs tariff
Summary of consultation responses

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Introduction

On 7th December 2022 we launched a 13-week consultation proposing a revised tariff (Tariff Ex). This tariff was designed specifically for the use of *PRS for Music* repertoire represented by us, and the Mechanical-Copyright Protection Society (MCPS) controlled non-commercial sound recordings (often known as "library" or "production music") during temporary exhibitions, industry trade shows, consumer fairs, fashion shows, music themed cultural exhibitions and fan conventions. The consultation ran until 28th February 2023. We invited feedback from affected PPL PRS customers and PRS members.

The consultation was undertaken in accordance with our Code of Conduct, which requires us to consult relevant parties whenever significant changes are proposed to our published tariffs.

We accepted responses to the consultation via email or by a web form through the dedicated **Exhibitions** section on our website, which also hosted all relevant consultation materials and documentation.

The consultation resulted in a total of 51 responses, of which 46 came from members and five came from customers. Most respondents confirmed support for the new tariff. Any comments that were not relevant to the consultation topics have been excluded from this summary. For the responses that didn't follow our prescribed response format, we have allocated them to the appropriate sections. The questions asked were designed to highlight the main changes proposed.

Exhibitions 'Tariff EX' overview

Are you content that this new proposed tariff "Tariff EX" covers all the music usage you would expect at an exhibition, trade fair or a similar type of event?

Currently, a selection of our tariffs, covering various business sectors are used to license the public performance of both live and recorded background music at Exhibitions depending on the type of venue at which the event is held. Under the proposed tariff, charges will be applied to temporary Exhibitions irrespective of the type of venue at which they are held, with the exception of Exhibitions held at hotels or in museums and galleries, which will continue to be charged under Tariff HR or GP respectively and will cover recorded music only.

Consultation Response: The majority of those customers who responded to the consultation agreed that the proposed tariff "Tariff Ex" covers all the music usage at an Exhibition for which they would require a licence.

Our response: We believe the proposed Tariff EX covers all the expected background music usage for which customers would require a licence and therefore intend to revise the tariff as set out in the consultation for the licensing of Exhibitions by applying on-stand and off-stand charges to the public performance of recorded music only.

Featured music use (such as a DJ performing on an exhibitor stand) is excluded from Tariff EX unless the performance accompanies a music-themed cultural exhibition ("**MTC Exhibitions**"). Featured music usage outside of such exhibitions will be covered by the appropriate tariff depending on the business sector or the activity.

What are your thoughts on PRS for Music adopting PPL's process for licensing exhibition organisers for on stand and off stand music?

Consultation response: The majority of those who responded to the consultation agreed with us adopting PPL's process for licensing Exhibition organisers for on stand and off stand music. Two customer respondents concluded the process "seems fair" and "is required" for the sector.

Our response: We believe licensing Exhibition organisers for on stand and off stand music will benefit individual exhibitors, organisers and PRS members by simplifying processes at the point of sale for PPL PRS. This will deliver a more effective and efficient method of licensing as it aligns with PPL's policy for directly licensing exhibition or event organisers.

The public performance of Production Music Sound Recordings (PMSR) is not covered by our current tariffs. We believe the PMSR royalty rate should be bundled with the on stand and off stand public performance royalty rates in the proposed Tariff EX for simplicity. Do you support this approach? If not, please state why.

Respondents were overwhelmingly in favour of the PMSR royalty being added to the on stand and off stand public performance royalty rates in the proposed Tariff EX.

Consultation response: A small number of respondents were not in support of this approach and unclear about the use of production music sound recordings within the sector. One respondent expressed concern over how including the PMSR royalty rate with on stand and off stand public performance royalties could affect smaller-scale exhibition organisers.

Our response: PMSR (Production Music Sound Recordings) are used within Exhibitions, refers to recorded music owned by production music libraries and are 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. The inclusion of the MCPS-controlled rights within Tariff EX will ensure all necessary rights of PMSR are appropriately covered through a single licensing arrangement. This will help smaller Exhibition organisers by reducing the administrative costs of obtaining licence cover.

What is your preferred option for PRS for Music to license temporary music themed cultural exhibitions 'MTC Exhibitions'?

We intend to introduce a new charging metric to calculate royalties to license ticketed MTC Exhibitions at museums and other types of venue.

Applying the percentage of total ticket receipts metric to charge MTC Exhibitions where there are tickets sold was the consensus amongst those who did not agree in a per day or per person fixed charge. The second preferred option was applying a fixed fee per day based on the size of the exhibition space. The least preferred option was applying a fixed fee per person admitted to the exhibition.

Consultation response: A small number of respondents suggested alternative methods for calculating the charge, e.g., applying a fixed fee per day charge irrespective of exhibition size or the application and of all three options together. Several respondents were unsure, with one respondent suggesting licensing MTC Exhibitions where music forms an integral feature should take on an individual, case by case approach.

Our response: We consulted on the basis of charging ticketed MTC Exhibitions. In light of the consultation responses received, we have devised a charging variation that applies to:

- 1) Ticketed cultural exhibitions where music forms an integral feature.
- 2) Non-ticketed cultural exhibitions where music forms an integral feature.

We consider that where there is close connection between the performance of PRS repertoire and the willingness of the visitors to pay to attend the MTC Exhibition, a percentage of total ticket receipts best reflects the value of PRS’ licence to the MTC Exhibition Organiser. This will provide a fair royalty for rights holders whose works are used within the MTC Exhibition concerned. We propose to apply the royalty rate for music themed cultural exhibitions within Tariff EX, calculated as:

Ticketed events: 3% percentage of gross box office ticket receipts

The 3% metric as it is a common royalty rate within several of our public performance tariffs such as Tariff P and Tariff FE to charge for events where music forms an integral feature and audiences are required to pay admission fees.

Non – ticketed events

We considered floor area size to be a more appropriate metric and propose to apply the off stand daily royalty rate, without the PMSR, with a maximum daily rate of £86.45 (per event).

Example royalty calculation for a 10-day fashion show using background music in an exhibition centre with an (audible) audience area around the catwalk of 230 sqm.

Figure 1. Example calculation based on 1000 total number of visitors: £8.00 Ticket cost per person.

Ticketed status	The royalty rate for temporary music themed cultural exhibitions will be calculated as:	Royalty Calculation
Ticketed events	3 % of total ticket receipts	£8000 (Total ticket receipts) x 3% = £240.00
Non – ticketed events	The ‘off stand’ daily royalty rate, without the PMSR uplift.	£86.45 (Daily rate for floor area size of MTC Exhibition area 201 sqm and above) x 10 (no. of events / Live exhibition days) = £846.50

Tariff EX will require customers to provide accurate details of the music played. This will enable us to distribute to the composers and publishers of the work performed. Further details to be provided upon implementation of the tariff.

What are your overall thoughts on our proposal?

Consultation Response: The majority of respondents were satisfied with the overall proposal and agreed that the new tariff covers the necessary music usage within exhibitions, industry trade shows, consumer fairs, fashion shows, temporary music themed cultural exhibitions and fan conventions. Several respondents described our proposal as 'up to date' and 'fair'.

One response suggested more thought be given to the different types of events that exist in the exhibitions space, however several respondents stated the tariff simplification approach within our proposal will deliver greater administrative efficiency and positive results for both for exhibition organisers and music creators.

Our response: We believe Tariff EX will facilitate a simpler method for individual exhibitors and exhibition organisers to meet their collective music licence obligations.

Next Steps

We intend to introduce Tariff EX "Exhibitions" in the second half of 2023.

We will notify all affected PPL PRS customers one month in advance of the launch date per our Code of Conduct. The existing tariffs will remain in place until such time.

We would like to thank all those who have responded to our consultation for our proposed Exhibitions Tariff EX.



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