PRS for Music Digital Fitness and Dance Consultation Response Summary

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We (PRS for Music) launched a 4-week consultation on **29 January 2025**, proposing a new digital music licence, tailored to the UK fitness and dance market where customers generate revenues of less than £150,000 per annum. The aim of the consultation was to invite customers, members and trade bodies to review and seek comments on the proposed licence.

This consultation runs in accordance with our <u>Code of Conduct</u>, which outlines our commitment to issue fair, reasonable and proportionate consultations when proposing to introduce a new scheme or to make significant changes to an existing scheme. Our aim is to set reasonable terms and to apply and administer all licensing tariffs fairly and consistently.

Summary of Consultation

The consultation received a total of 8 responses, made up of the following:

- Customers licensed under LOML (Limited Online Music Licence)
- Industry trade bodies

We consulted on the introduction of a new digital licensing scheme, Digital Music Licence for Fitness and Dance, which will replace the Limited Online Music Licences (LOML and LOML+) for the fitness and dance sector.

Why did we consult on a Digital Fitness and Dance Scheme?

Current customers in the UK digital fitness and dance sector have our Limited Online Music Licence (LOML), a licence that has been in place for over 15 years. Over the past few years, we have surveyed our customers and worked with key stakeholders in this market to understand how their needs have changed and what more we can do to improve the purchasing experience.

Customer feedback showed a strong demand for a more targeted licensing scheme, one that better reflected how they use music, both now and in the future. Based on the feedback we received, we took the decision to decommission the existing LOML and LOML + schemes and replace them with more licences that are tailored to specific groups of users.

As the LOML and LOML + schemes are phased out, we want to ensure that smaller UK operators and instructors earning less than £150,000 per annum will have access to a licence tailored to their needs, especially as more content moves online.

Consultation Results

We wanted to understand whether customers would benefit from a scheme tailored to their sector and whether that would encourage them to use more music in their online classes from various sets of repertoires.

Following positive feedback from customers and key trade bodies, we're introducing the new Digital Music Licence for Fitness and Dance to offer a better experience than the current LOML.

We plan to launch the new scheme on 1 July 2025.

Respondents said that a dedicated digital licensing scheme would support their business by simplifying the licensing process, offering clearer coverage for online use,

and fairer charges based on usage. Many highlighted the essential role music plays in motivation, enjoyment and participant engagement.

Some questions were raised during the consultation, and ahead of the launch of the licence, we want to provide clear information so customers can feel confident in how it works and what it means for their business.

- Some responses highlighted concerns about the overall cost to the provider and its potential impact on margins, along with some confusion about how royalties are collected and distributed. While pricing decisions are made by the providers, our role is to ensure that music creators are fairly compensated whenever their work is used. We aim to keep the licensing process clear and simple for customers, while ensuring that members are paid fairly for the use (or performance) of their works. To achieve this, we use industry-standard methodologies and surveys to fairly distribute royalties.
- There were questions around the cost comparison of in-person classes versus online classes or lessons as well as concerns about the potential of "double counting" of a licence fee. To clarify, venues that play music (that is represented by PRS) for customers and staff require TheMusicLicence from PPL PRS Ltd. In addition, instructors may need a ProDub licence from us if they use curated CDs during their classes. If a business or instructor also wants to use music in an online setting, additional rights are required. These rights are addressed by the proposed new digital fitness and dance scheme.
- From the consultation responses we learned that some participants may not complete an entire fitness class whether a class is streamed live, on-demand or delivered in person. The new digital fitness scheme will provide an effective solution that ensures instructors and services have the correct licensing in place for any duration of an online class or lesson.

Key Points

Reporting

To apply the correct charges within the new dedicated scheme, fitness and dance customers will be required to declare music usage information to determine the usage and charges.

Full music reporting will be required except for customers on the minimum fee of £193 + VAT.

Charges within the new digital fitness and dance scheme will be adjusted in line with inflation each year. This also includes the minimum fee charges.

Synchronisation

If you wish to use music with video, the synchronisation rights will need to be obtained under a separate licence as the new digital fitness and dance scheme does not include these rights. You can get this licence either directly from the rightsholders or via our website where we are mandated to do so.

Class participants streaming or downloading fitness and dance classes from the US (or another country) from my UK website.

The new PRS digital fitness and dance scheme grants blanket rights for the UK only, so the new scheme will only cover the UK market and services' UK activity.

Delivering classes on YouTube and similar platforms.

Separate rights will need to be obtained when delivering fitness classes or dance lessons on YouTube and similar platforms.

Services that sit outside of the revenue threshold of £150,000

We would review instances for customers delivering services with revenues over £150,000 on a case-by-case basis. If your business generates over this threshold, you can make enquiries by contacting the licensing team applications@prsformusic.com.

Conclusion and next steps

The new Digital Music Licence for Fitness and Dance will launch 1 July 2025. The existing Limited Online Music Licence (LOML) will remain in place until such time. Customers are only required to purchase the new licence once their existing licence expires.

We would like to thank all those who have responded to our consultation for our proposed Digital Music Licence for Fitness and Dance and to those parties who provided us with additional insights and data.



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