

PRS for Music

Digital Music Services Licence Consultation Response Summary

Published: September 2025



We ("PRS for Music") launched a 4-week consultation on **30 September 2024**, proposing the new *Digital Music Services Licence*. This licence will replace the *Limited Online Music Licences* (LOML and LOML+) for UK direct-to-consumer (D2C) digital music services such as digital download stores selling commercial works or backing tracks, karaoke download stores and music-on-demand streaming services. We received a total of 53 responses to the consultation from PRS members and customers licensed under LOML, and due to positive feedback, we will launch the new scheme on **1 October 2025**.

Why did we consult on a digital scheme for music services?

The *Limited Online Music Licences* were last reviewed over a decade ago, and in the current form they do not fully cover the way in which music is now used online. There are several limitations within the current LOML schemes with regards to knowing which band customers fall into, and the number of permissible downloads/streams as well as the amount of revenue the licensed service can generate each year.

Based on feedback we received, we took the decision to decommission the existing LOML and LOML+ schemes and replace them with licences that are tailored to specific groups of users. As the LOML and LOML+ schemes are phased out, we want to ensure that services earning less than £500,000 per year will have access to a licence tailored to their needs. Within the consultation, we also asked for views on the following:

- A shift to a revenue share model
- Providing financial and detailed music usage information
- The reporting frequency

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

Revenue share model

Many customers welcomed the move to a revenue share model but asked for more clarity on what should be included in their revenue reporting. Customers should report to us revenue that only relates to the scope of this licence e.g. digital downloads, music-on-demand services or downloads of karaoke versions etc. For example, a customer may sell digital downloads alongside other products such as CDs and vinyl, but only the revenue for the digital download sales needs to be declared.

KAR v. digital karaoke rates

Clarity was sought on the difference in rates between the [KAR licence](#) – a licence for manufacturing physical karaoke products and the digital karaoke rates in the

new Digital Music Services Licence. The difference in rates is due to the scope of rights each licence covers: the KAR licence only involves mechanical rights, whereas digital services include a broader set of rights, for both reproduction (mechanical) and communication to the public (playing aloud).

16% rate

A portion of PRS members felt the 16% rate was lower than expected and advocated for the revenue share to be set at a level beyond the 16%. Around half of respondents, however, agreed – or strongly agreed – that it represents fair value for the use of their works. We want to strike the right balance between ensuring songwriters are fairly paid while keeping this licensing solution sustainable for customers. With this in mind, we'll move forward with the proposed rates to launch the licence on 1 October 2025. We will carry out a full review after 24 months to ensure the licence continues to reflect the needs of both members and customers.

Revenue share

The rates are calculated using a revenue share of 16% for music services and 25% of applicable revenue¹ for karaoke services, with a per-stream/download minimum and an annual minimum fee of £193 (+VAT). These rates reflect the growing level of value of music publishing rights as referenced within the Competition and Markets Authority (CMA) independent study into the music streaming market, which can be found [here](#).

Non-PRS for Music repertoire or public domain works

Royalty rates shall only be applied to PRS for Music repertoire. Only reported music within PRS for Music or MCPS Commercial repertoire will be matched against our database and then charged accordingly. Music that is in the public domain or not represented by us won't be included. Customers can sign up for a PRS for Music online account to search for songs and find out if a licence is needed. It's also worth noting that some arrangements of public domain works will need a licence from us.

Introduction of Interactive Webcasting

Interactive webcasting wasn't included in the original October 2024 consultation, but was covered by the LOML, which this new scheme will replace. Based on customer feedback, including it in the Digital Music Services Licence helps maintain and extend coverage to services with playlist-style features like track skipping or personalised recommendations. This ensures these services are licensed either under the headline royalty rate or the per-stream minimum, bringing the scheme in line with current market practice.

¹ Applicable revenue means all revenue received (or receivable) by the customer arising from the provision of the Licensed Service less VAT (or other equivalent sales tax, as applicable). By way of example only, such revenue may include but is not limited to subscription revenue, transactional revenue, advertising revenue or sponsorship revenue where such revenues are derived from the provision of the Licensed Service.

Financial Reporting

Accurate reporting is key to making the new licence work smoothly. This means sharing clear and reliable financial data so fees can be calculated accurately. Under the new scheme, reporting will be required on a quarterly basis, in arrears.

Music Usage Reporting

Most respondents said they would be able to provide music reporting at least every 6-12 months, with many able to report quarterly or more often. Customers will be sent a reporting template upon completion of their licence application with instructions and headings detailed to make clear the necessary fields that are required. This reporting helps us make sure customers are paying the right amount for the music they use, and just as importantly, that PRS members are fairly paid for the use of their works.

Increase in revenue cap to £500K

To give customers more flexibility, we've increased the annual applicable revenue cap to £500k per category. This change was supported during the consultation and reflects the needs of businesses looking for clearer, more scalable licensing options.

Annual Minimum Fee

Some customers asked for clarity on what's included in the annual minimum fee (£193 + VAT) to help determine if it applies to their service.

We've provided guidance in the table below. If a service offers both music downloads and on-demand streams within the limits of the minimum fee, two separate charges of £193 + VAT will apply.

Annual Minimum Fee	Category	No. of Downloads or Streams (per annum)	Per Musical Work Minima*
£193 + VAT	Music Downloads	2,200	£0.088 / 8.8p
£193 + VAT	Music On Demand Streams	45,000	£0.0043 / 0.43p
£193 + VAT	Karaoke Downloads	965	£0.20 / 20p
£193 + VAT	Music On Demand Karaoke	30,000	£0.0064 / 0.64p
£193 + VAT	Interactive Webcasting	115,000	£0.0017 / 0.17p

*The annual minimum fee and the per musical work minimum rates have been adjusted for inflation since the consultation and reflect the 2025 LOML/LOML+ rates

Inflation Adjustment

The annual minimum fee and the per-work minima will be adjusted each year in line with the Consumer Price Index (CPI). This offers a more up-to-date and representative measure than the Retail Price Index (RPI), which was previously used for the LOML.

Rights covered within the new scheme

The licence covers the key rights needed to use music on your service:

- The right to stream on-demand PRS commercial music repertoire to users (known as communication to the public)
- The right to copy or store commercial music repertoire so it can be streamed or downloaded (mechanical rights)
- The right to display or reproduce lyrics, where applicable.

Conclusion and next steps

The new *Digital Music Services Licence* will launch on **1 October 2025** and will run for an initial 24-month period, enabling us to continue to review market conditions and monitor any changes in the regulatory framework with regards to songwriter remuneration. After that, we'll carry out a full review of the licence (with the *Digital Music Services Licence* continuing to operate whilst under review), to ensure it still reflects the needs of both our customers and members. Customers are only required to purchase the new *Digital Music Services Licence* once their existing LOML expires.

We would like to thank all those who have responded to our consultation on our proposed *Digital Music Services Licence*.

The consultation process was run in accordance with our [Code of Conduct](#), which outlines our commitment to issue fair, reasonable 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.



PRS for Music
1st Floor, Goldings House,
2 Hays Lane,
London SE1 2HB

www.prsformusic.com

Registered in England No. 134396