



PRS for Music Digital Music Licence for Business Consultation

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1. Introduction

PRS for Music are holding a public consultation on a new digital licensing scheme designed specifically for businesses wanting to use music online, but whose main focus isn't making music available. This licensing scheme is also available for charities and government organisations. This licence will allow these businesses to:

- stream music,
- provide previewing clips of music,
- make available limited on demand streaming; and
- allows users to download content (non-music focused).

Many of these businesses will currently have our Limited Online Music Licence (LOML), a licence that has been in place for over 15 years. Much has changed since then, particularly in the way businesses want to use music to support their online and digital services.

Earlier this year, we carried out a survey with customers to understand how their needs have changed and what more we can do to improve the purchasing experience. Customers feedback showed a strong demand for a more targeted licensing scheme, one that better reflected how they want to use music, both now and in the future.

As a result of this feedback, we took the decision to decommission the current LOML at the end of 2023 and replace it with more licences which are tailored to specific groups of users. The proposed new licence will continue to provide customers a broad set of rights, covering:

- Communication to the public right
- Mechanical rights for commercial works
- MCPS production music works
- MCPS production music sound recordings

The proposed licence does not provide the rights to sound recordings of commercial music, which are (typically) owned by record labels and not licensed by PRS for Music.

This public consultation provides an opportunity for customers, members, and other stakeholders to give their views on the proposed scheme prior to any changes being implemented.

The consultation is being undertaken in accordance with our [Code of Conduct](#). This outlines our commitment to undertake fair, reasonable, and proportionate consultations when proposing to introduce a new licensing scheme 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 4 weeks from 6 September 2023 until 4 October 2023. We will review all responses received on or before the closing date. Details on how to respond to the consultation can be found [here](#).

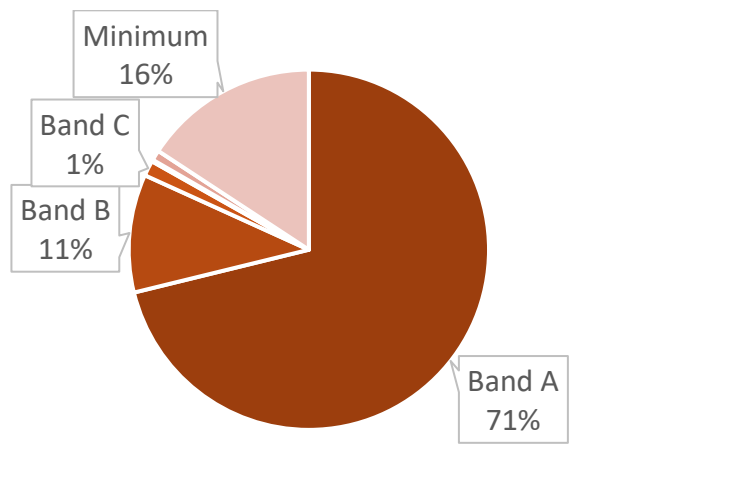
Your feedback and opinions are important to us.

2. Rationale for the proposal

We have designed a simple solution so customers can benefit from the use of copyright music in their business. By creating a dedicated digital scheme for businesses and naming the licence something more relatable, we can make the purchasing process for customers easier to understand and be able to generate and allocate royalties much more efficiently for members.

The current Limited Online Music Licence (LOML), is limited to businesses with an annual revenue of up to £12.5K. These small businesses were able to select from pre-determined rate cards (based on several bands ranging from £86 to 1,719) determined by a maximum amount of streams, clips, on demand streaming hours or downloaded hours (of non-music focused content) in a year.

*minimum (£86), Band A (£173) through to Band E (£1,719)



Due to the revenue cap imposed on the current scheme, some businesses are being discouraged from taking out a licence all together, the proposed scheme also addresses this issue.

Analysis of our customer data over the last two-year period found approximately 90% of customers choose either the minimum or Band A fees of the LOML licence, with streaming forming the most popular type of music usage. We have therefore, decided to base the charging metric of the proposed licence on the most common band from our recent data.

Results from the recent survey of LOML customers showed that 81% of customers (licenced music users for less than a year) said that music was very important to them whereas only 50% of all customers felt confident they had purchased the right licence. We have taken this feedback into account and this new licence should help customers identify the licence they need.

3. The Proposed Digital Music Licence for Business

Our new digital music licence will not only help businesses streamline their licence purchasing experience but will also offer flexibility to use more of the music they love online through our proposed royalty rate blocks. The pre-existing £12.5k revenue cap currently in the LOML will be removed, allowing more business to benefit and unlock the ability to use PRS & MCPS repertoire, as well as production music sound recordings (PMSR).

This licence doesn't include:

- Businesses whose primary focus is general entertainment – this use would need a [GEOL](#) (General Entertainment Online Licence).
- Synchronisation rights - using music in films, adverts, corporate videos, video games or other audio-visual productions would need these rights cleared by the owner. For more information, please visit our [website](#).

This licence gives businesses the rights for the more than 38 million works PRS for Music represents, for the purposes of streaming and previewing on demand clips, and audio-visual content via downloading, on demand streaming and previewing clips on demand. Some examples of streaming activity could include playing music to accompany an internal presentation, playing music for a staff quiz on a video conferencing platform or on their own website to accompany virtual events or classes / clubs etc.

PRS for Music Grant of Rights:

1. The communication to the public of PRS repertoire.
2. The communication to the public of Production Music Sound Recordings.
3. Mechanical rights for MCPS affiliated repertoire.

Proposed Royalty Rates

The licence fee will be sold in blocks of £173 + VAT and adjusted annually according to inflation on the anniversary of the launch. This licence can also be prorated allowing customers to apply for short term or temporary use, subject to a (£86 +VAT) minimum fee.

Consumption limits

The table below demonstrates the number of streams, clips or hours useable per year in relation to the cost. A customer who wants to benefit from an increased use of music would be able to purchase two blocks of £173, for example both streaming (up to 180k streams) and general entertainment on demand content (up to 6.5k hours).

This is a key benefit of the new scheme whereby the customer has flexibility to top up their licence as their usage increases.

Music Usage (per annum)	£173	£346	£519
Streams*	180,000	360,000	540,000
Or Clips (30 second previews of songs)	500	1,000	1,500
Or On Demand hours**	6,500	13,000	19,500
Or Download hours**	360	720	1,080

*A stream is per listener and per musical work. For example, a company with 200 employees playing 5 songs per day (or 1 song 5 times) to internal staff digitally, per 5 day working week will create approx. 250,000 annual streams meaning the annual licence fee would total £346.

**Music download or music on demand streaming services is not covered by the scope of this licence.

Restrictions & Exclusions

Our proposed licence does not permit customers to use any works in advertising campaigns, sponsorship, or in corporate videos for conferences, B2B promotional use, or any product launches etc. without obtaining a separate synchronisation licence from the relevant rightsholders. Synchronisation rights can be obtained under a separate licence either directly from the rightsholders or via our website where we are mandated to do so.

This licence does not cover any public performance rights and should not be confused with Tariff I- Music in the Workplace, administered by [PPL PRS](#), which applies to the public performance of audible background music for employees in workplaces such as offices and factories.

Music usage excluded within the scope of this licence is:

- podcasts
- Internet radio stations
- Digital education and fitness providers
- Worship
- On demand music streaming & music downloads

Organisations creating or providing any of these services will be required to take out the relevant licence.

4. How to respond to the consultation

All the details of this review, and any updates, are available on our [website](#).

Please complete the response form on the website above.

Online responses are preferred.

Written responses can be posted to:

Digital Music Licence for Business Consultation Responses
PRS for Music
1st Floor
Goldings House
2 Hays Lane
London
SE1 2HB

Or by email to: digitalbusinesslicenceconsultation@prsformusic.com

Please entitle your response 'Digital Music Licence for Business Consultation'

Or visit: www.prsformusic.com/digitalbusiness

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 scheme in the light of responses to this consultation.

Next Steps

Following the closing date of the consultation we will review all responses and publish a summary on our website. In response to the outcome of the consultation, feedback and subsequent discussions, we will propose a new licence later this year.

5. PRS for Music & MCPS

PRS for Music is a world leading music collective management organisation representing the rights of more than 165,000 talented songwriters, composers, and music publishers around the globe. Headquartered in the UK, we work diligently on behalf of members to grow and protect the value of their rights. With a focus on innovation and integrity, we are redefining the global standard for music royalties to ensure creators are paid whenever their musical compositions and songs are streamed, downloaded, broadcast, performed and played in public.

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. We operate as an agent for MCPS under a service agreement to provide licence and tariff development alongside licensing and distribution services.

To represent PRS & MCPS's collective licensing activities we use the term PRS for Music throughout this document.

For businesses and organisations, we play a valuable role. Songwriters, composers and music publishers have entrusted us to make their music and songs available for use in exchange for fair remuneration. 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 music 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 songwriters, composers and publishers of the music that has been played.



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