

PRS for Music

Internet Radio Licence Consultation
Response Summary

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We ("PRS for Music") launched a 4-week consultation on **9 October 2024**, proposing a new digital music licensing scheme, the *Internet Radio Licence*, which will replace the *Limited Online Music Licences* (LOML and LOML+) for UK internet radio stations. We received a total of 64 responses to the consultation from existing customers (licensed under LOML and Commercial Radio), PRS members and trade bodies. Due to positive feedback, we will launch the new scheme on **1 October 2025**.

Why did we consult for an Internet Radio Scheme?

The *Limited Online Music Licences* were last reviewed over a decade ago, since then, the way in which music is used to interact with listeners/audiences online has changed significantly. 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 the feedback we received, we took the decision to decommission the existing LOML and LOML+ schemes and replace them with sector-specific licences. As the LOML and LOML+ schemes are phased out, we want to ensure that customers who run internet radio stations have access to a licence tailored to their needs.

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

Royalty model update

We're updating our royalty model based on customer feedback. Instead of a per-stream rate we are introducing a revenue share or a listener hour rate. For subscription services, a monthly per-subscriber minimum payment will also apply. This approach aligns better with market practice and allows stations to budget their licence fees more easily.

On-demand and catch-up content

Customers told us they currently offer, or plan to introduce, on-demand features such as 'catch up' or listen again content. To support this, we have introduced greater levels of interactivity, such as the ability to allow listeners to pause, rewind or replay shows, including offline listening within the licensing framework, provided the content listeners are accessing is limited to 30 days from the original broadcast. This would enable internet radio stations to meet audience expectations, enhancing the overall listening experience.

Listener hour metric

Feedback showed that many customers found the definition of a 'stream' confusing and hard to report consistently. In response, we're introducing a listener hour model

(detailed below), which is a simpler, more reliable metric that reflects actual listening time.

Not-for-profit and non-commercial stations

Some customers asked for a simpler option for not-for-profit or non-commercial stations. We've added a one-off annual payment tier with scaled listener hour thresholds, tailored to support these services.

Revenue cap removal

As the market evolves, we've removed the annual revenue cap to provide greater flexibility to customers looking to scale.

Subscription / Ad Supported / Sponsored Internet Radio Stations

Those stations motivated to monetise their station will be licensed using the following metrics:

- 10% applicable revenue
- £0.36 per direct subscriber, per month
- 2p per listener hour
- Annual minimum fee £193 + VAT

Internet Radio Speech Stations

To future-proof the scheme in an ever-evolving landscape, we're including internet radio speech stations as an option. Stations with music density at or below 15% will be covered under the definition of speech station, consistent with the Commercial Radio agreement. Revenue share rates also align with that licence for consistency.

- Stations with at or below 15% music density
- Subscription / Ad Supported stations pay 2% applicable revenue
- Up to 5,000 listener hours per month covered by £193 + VAT

Listener Hour

Stations supported by advertising and/or sponsorship revenues will be licensed via the higher of the 10% applicable revenue charge and £0.02 (2p) per listener hour, subject to the annual minimum fee of £193 + VAT.

This rate was developed following feedback from customers that tracking listener hours is simpler and more consistent than reporting individual streams. The listener hour is based on the combined average effective streaming rates from the current LOML and LOML+. This is benchmarked against music density data (the amount of music played within a programme hour) and aligns with PPL's published 'linear webcast rate' of £0.001321 (0.1321p) per stream.

Subscription Services

Licence fees for subscription services will be calculated using a percentage-of-revenue (POR) model, set at 10% applicable revenue. This is supported by a monthly per-subscriber minimum fee of £0.36, carried over from LOML and LOML+. Customers have told us this approach is easier to budget, and it ensures creators are fairly paid, even if subscription fees change.

- Headline Royalty: 10% applicable revenue
- Per subscriber, per month minimum: £0.36

Removal of revenue cap

The previous licences included an annual revenue cap. As the market has grown, we've chosen to remove this cap, which will provide customers more flexibility and support business growth.

Financial Reporting

Accurate and timely financial reporting is essential. Customers will submit financial information quarterly in arrears, ensuring transparency and correct fee calculation.

Music Usage Reporting

Customers licensed under LOML+ already provide us with regular usage reports, and this will continue under the new scheme. 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. Frequent music usage reporting ensures songwriters and composers are paid fairly for the use of their music.

Inflation Adjustment

The annual minimum fee, listener hour rate, and per-subscriber minimum fee will be adjusted annually using the Consumer Price Index (CPI), replacing the Retail Price Index (RPI) used in previous licences. This gives a more up-to-date and representative approach.

Conclusion and next steps

The new *Internet Radio Licence* will launch on **1 October 2025**. 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 on our proposed Internet Radio Licence.

This consultation 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.



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