



## Classical music concerts & recitals

### Draft Tariff 'LC'

*(Without prejudice - Proposed May 2019 to be effective from 01.01.2020)*

*Effective from 1 January 2020 and applying to all events within the scope of this tariff in respect of which the General Sale\* of tickets began on or after 1 January 2020, provided that the tariff shall in any event always apply to any event taking place on or after 1 January 2021.*

#### 1. Scope of tariff

This tariff applies to performances of Controlled Works\* in **classical concerts** and **recitals**, for example at normal concert venues, theatres and similar auditoria, and outdoor sites, with a charge for admission.

This tariff excludes events falling within the scope of other tariffs published by *PRS for Music*, such as but not limited to popular music concerts; variety shows; theatrical presentations; educational establishments; community buildings run by voluntary organisations; public houses and clubs.

#### 2. Promoters, and proprietors of venues

Where both the promoter *and* the proprietor of the Premises\* at which an Event\* is to take place are holders of *PRS for Music's* licence authorising the Event, then royalties under this tariff are payable, in the first instance, by the promoter. *PRS for Music*, however, retains the right to claim royalties from the proprietor should the promoter fail to make payment.

#### 3. Application of royalty

Where the music user *has* applied for and obtained *PRS for Music's* licence before musical performances commence, the **standard** royalty rate will be charged and payable for the first year of the licence.

Where the music user *has not* applied for and obtained *PRS for Music's* licence before musical performances commence, the **higher** (standard plus 50%) royalty rate will be charged and payable for the first year of the licence.

After the first year of the licence, in either case, the **standard** royalty rate will be charged and payable.

\* See Definitions, section 8

## 4. Royalty charges

In this edition of Tariff 'LC' the pertinent rates of charge apply to all royalties falling due from 1 January 2020 (and from 1 January in subsequent years as specified).

Royalties payable for a licence or permit under this tariff are calculated for each itemised Event as follows.

### 4.1 Events with an admission charge

Where an Event has an Average Admission Charge\* over £5.00, the royalty charge is a percentage of Gross Receipts\* for each Event which includes Controlled Works\*. The percentage is either fixed (4.1.1) or variable (4.1.2) as follows:

	Standard Royalty	Higher Royalty
<b>4.1.1 Fixed percentage</b> (irrespective of the controlled copyright content):		
from 1 January 2020 .....	5.3%	7.95%
from 1 January 2021.....	6.3%	9.45%
from 1 January 2022.....	7.3%	10.95%

If a licensee complies with paragraphs 5.1.1 and 5.1.2 of this tariff within each of the 28-day periods referred to in those paragraphs in respect of a Quarter\*, the Standard Royalty in respect of that quarter shall be reduced by 0.3% from that stipulated above.

**4.1.2 Variable percentage** depending on the proportion of the programme time occupied by the performance of Controlled Works for each Event. This option is available to a licensee who opts, in advance, for the assessment of the royalty charge in this manner for all events in an *entire* licence-year and who complies with certain conditions. For reasons of simplicity and economy in this edition, a separate Appendix (Appendix 2) of the variable percentage rates and conditions is attached.

	<b>Standard Royalty</b>	<b>Higher Royalty</b>
<b>4.1.3 Minimum royalty</b>		
The royalty rates in sections 4.1.1 and 4.1.2 are subject to a minimum charge for each event in which Controlled Works* are performed.....	£26.28	£39.42

\* See Definitions, section 8

## **5. Payment**

### **5.1 Royalties due under continuing licences**

- 5.1.1** Subject to 5.1.4, royalties under continuing licences are payable quarterly in arrears, within 28 days of the date of *PRS for Music's* invoice.
- 5.1.2** Within 28 days from the end of each quarter a licensee must deliver to *PRS for Music* a certificate signed by a responsible official, with enough information to enable *PRS for Music* to calculate the royalties due. The certificate must show for each Event during the last Quarter in which musical works (including, by definition, any controlled copyright adaptation) were performed, and must list all such events by date and name showing the seating capacity of the venue, the Gross Receipts and the total number of persons admitted (by way of determining the Average Admission Charge and royalty assessment either under section 4.1 or 4.2).
- 5.1.3** The certificate must be accompanied by certified programmes in respect of the music performed at all the events covered by this tariff which have been held during the Quarter.
- 5.1.4** Where royalties are payable as a percentage of Gross Receipts, whether in arrears or, pursuant to section 5.1.5, in advance, *PRS for Music* is entitled to require, from time to time, a certificate by an appropriately qualified accountant certifying the amount of those receipts for each Event and indicating the amounts (if any) deducted therefrom (in accordance with the Gross Receipts definition) together with satisfactory proof of such payments. Any adjusting payment then found to be due is payable (by *PRS for Music* or the licensee, as the case may be) within 28 days of *PRS for Music* calculating and notifying the final royalty.
- 5.1.5** If a licensee does not comply with requirements under section 5.1 *PRS for Music* may stipulate that for the next licence-year royalties shall be payable annually in advance. In such cases the royalty to be paid in advance will be assessed according to the music use in the previous four quarters and will be adjusted at the end of that year in terms of the actual performances as certified by the licensee.

**5.1.6** For the avoidance of doubt, it is confirmed that time shall be of the essence for the purposes of each of the time limits referred to section 5.1.

## **5.2 Royalties due under an occasional permit**

For an occasional Event, outside of a continuing licence, the music user must apply to PPL PRS Ltd. and, except by prior arrangement with PPL PRS Ltd. pay the full royalty in advance of the performance. PPL PRS Ltd. will require the particulars specified for the certificate in section 5.1.2 above.

## **6. Value Added Tax**

Every licensee under *PRS for Music's* tariffs will pay to *PRS for Music* in addition to the royalty due, a sum in respect of Value Added Tax calculated at the relevant rate on the royalty payable.

## **7. Inflation adjustment**

Every year on 1st July, the **monetary** sums in this tariff will be adjusted for inflation. The adjustment formula will apply to the standard rates, using the mean (to the nearest whole percentage point) of the percentages by which the Retail Prices Index and Average Weekly Earnings index (unadjusted) change in the year to the previous February.

February is the latest month prior to the anniversary date for which figures are likely to be published for both indices.

All rates rounded to the nearest penny.

All royalties will be charged at the royalty rate in force at the beginning of the licence-year.

## **8. Definitions**

**Admissions** means the unavoidable cost of admission to an event or series of events for the ticket(s) purchased by the consumer but excluding the costs components set out at Appendix 1 if these are separate from the unavoidable cost of admission.

**Affiliate** means a licensee's parent, subsidiary, group companies (including other subsidiaries of parents) including any entity in which the licensee has directly or indirectly any share of ownership and/or control.

**Average Admission Charge** means the gross admission receipts (including VAT) divided by the total number of persons admitted per event. *PRS for Music* reserves the right to review and reset in future years the level of the Average Admission Charge considering the practical operation of this tariff.

**Controlled Works** means all and any musical works, arrangements of musical works and words associated with such works, in which the right of public performance is controlled by *PRS for Music*.

**Event** means a concert or recital of classical music.

**Facilities Fees / Restoration Levies** means a fee described as a facility fee, restoration levy, heritage fund contribution or theatre fund contribution that is charged to the consumer as part of the cost of an admission to an Event that is held at licensed premises and where: (i) the amount of the fee is publicly stated; (ii) the proceeds from the fee are accounted for separately in the books of the licensed premises' legal entity; (iii) the purpose of the proceeds is for capital expenditure relating to the restoration, maintenance and improvement of the licensed premises; and (iv) in relation to which proceeds PRS has a right, on request, to obtain an annual statement prepared on behalf of the licensed premises (certified by a suitably qualified auditor, save where the licensee is exempt from providing audited accounts) which states for the relevant year (a) the total value of the proceeds and (b) confirmation that any use of the proceeds that year has been for the purpose stated in (iii) above.

**General Sale** means the offering of tickets (whether for sale or for free) to the general public, excluding pre-sales to fan club members and members of exclusive ticketing arrangements only available to persons affiliated to or customers of a particular product or service.

**Gross Receipts** means:

all monies paid or payable by the consumer in respect of Admissions charges specified in (a) to (g) below, irrespective of whether such monies are received or receivable by the licensee or an Affiliate, or by a third party with a contractual relationship with the licensee:

- a. the total price paid by consumers for Admissions purchased across any and all primary sales platforms;
- b. the total price paid by consumers for Admissions purchased on secondary sales platforms which have been directly allocated on such secondary sales platforms (without having been initially purchased via primary sales platforms), whether by the licensee or an Affiliate, or by third parties acting on behalf of the licensee, including the promoter;
- c. the total price of any single event Admissions to boxes and suites, where hospitality such as food and/or drink and/or other private and exclusive facilities are provided within the ticket price, at the price of the highest class of single event Admissions in the immediate vicinity of the relevant boxes and suites, multiplied by the number of seats actually sold in such boxes and suites for the Admissions concerned;
- d. the total cost of any multi-event pre-purchase Admissions arrangement such as boxes and suites (to be declared at (i) the annual cost of the arrangement divided by the average annual number of performances in the previous three calendar years, the product then divided further by the total number of seats in the arrangement and finally that product multiplied by the number of

tickets issued under the arrangement for the relevant performance; or at the election of the licensee (ii) the price of the highest class of single event Admissions in the immediate vicinity of the relevant boxes and suites, multiplied by the number of tickets issued for the relevant performance). For the avoidance of doubt, non-Tariff LC events are chargeable under the applicable PRS tariff for the event of that kind;

- e. complimentary or discounted Admissions that are part of any commercial arrangement from which revenues are earned by the licensee or Affiliate shall be declared on an Event by Event basis at the price of the equivalent single event Admissions cost. For the avoidance of doubt, PRS will not charge a royalty in respect of complimentary Admissions provided to any workers attending the event for work purposes as a result of any such commercial arrangement;
- f. insofar as not included within the Admissions, any optional features purchased by the consumer that have a nexus with the public performance of PRS repertoire (examples are set out at Appendix 1);
- g. all booking, administration, service, handling or like fees and charges (but excluding Facilities Fees / Restoration Levies), whether charged to the consumer by the licensee or an Affiliate, or by any third party engaged by the licensee;
- h. but shall never include: ticket agent and party booking discounts; refunds (where the event is cancelled or rescheduled); any booking fees, administration, service, handling or like fees or charges charged to a consumer or the licensee in respect of any ticket for which a refund has been given (where the event is cancelled or rescheduled); the actual postage/courier delivery and packaging charges where separately itemised; and VAT or any other government tax or imposition of like nature for the time being in force. PRS will not charge a royalty in respect of complimentary Admissions that are not part of any underlying commercial arrangement under which revenues are earned directly by the licensee. Complimentary Admissions allocated and/or utilised by the licensee, the promoter, the venue or the artist shall be deemed not to be part of any underlying commercial arrangement and shall be marked on the ticket as either "complimentary", "not for general sale" or "zero value".

**Premises** include places where open-air events take place.

**PRS for Music** is the trading name of the Performing Right Society Limited.

**Quarter** means a period of three months within a licence-year, running so that four consecutive quarters coincide with a licence-year of twelve months.

## Appendix 1

(i) Examples of optional Admissions features that have a nexus with the public performance of PRS repertoire:

- Pre-event performance
- Soundcheck
- Upgraded or enhanced seating or standing in a controlled area with a view of the stage/performance area
- VIP viewing platform
- Q&A session with artist(s) including a music performance

(ii) Examples of optional Admissions features that do not have a nexus with the public performance of PRS repertoire:

- Accommodation
- Travel
- Parking
- Dining
- Food
- Beverage
- Merchandise
- Event laminates
- Q&A, meet & greet or photograph session with artist(s) where there is no music performance
- Access to pre-purchase tickets via a pre-sales or sales channels separate to general public sale (including, for example, pre-sales to fan club members) other than on an event by event basis
- "Add on" non-music related experiences at an event (including, without limitation, access to leisure and/or sports facilities and /or activities)

## Appendix 2

### Classical music concerts & recitals

#### Draft Tariff 'LC'

##### 1. Scope of appendix

This Appendix 2 augments section 4.1.2 of Tariff 'LC' and should be read in conjunction with the general provisions of that tariff. It relates to classical music concerts and recitals which include controlled works where:

- an event has an Average Admission Charge over £5.00, and
- the licensee wishes to opt, in advance, for the assessment of the royalty charge for an *entire* licence-year's events as a *variable* percentage of Gross Receipts depending on the proportion of the programme time occupied by the performance of Controlled Works for each Event.

##### 2. Option

The holder of a continuing licence to whom section 1 applies may choose, in advance of any licence-year, to be assessed under section 3 of this Appendix 2 provided that within 28 days after each quarter's events the licensee has delivered certified programmes of the works performed in each event, with sufficient details (including the duration of each work and of the total programme time) to enable *PRS for Music* to determine the appropriate rate.

##### 3. Variable percentage royalty rates

Where the holder of a continuing licence has chosen to be assessed under this Appendix 2, the rate of charge for each event shall be ascertained by multiplying the duration of the Controlled Works performed at the Event by the percentage specified below and dividing that number by the total duration of all works performed at such Event. The resulting percentage shall be calculated to two decimal places. Variable percentage royalty rate with effect:

from 1 January 2020.....	8.8%
from 1 January 2021.....	10.4%
from 1 January 2022.....	12.0%

The minimum charge per Event is that specified in Tariff LC section 4.1.3.