

PRS for Music Sports Events Consultation



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1. Introduction

We ("PRS for Music") are holding a public consultation proposing amendments to our tariffs that currently license sporting events.

We are proposing to amend our Tariff SE, which applies to performances of copyright music during and in connection with sports events at sports grounds (such as football, rugby, and cricket) and racetracks and stadiums (such as motor racing and athletics), as set out below. This will offer flexibility for customers and allow parity across sporting events.

In addition, we are proposing to amend Tariffs SR and GP to remove charges that apply to any sporting activity, with the intention that all non-amateur sporting activity and events will now be licensed under Tariff SE. This proposal aims to ensure fairness and parity across the market.

Tariff AMS will remain in place for non-commercial amateur sports, but customers of Tariff AMS will also now be able to purchase Tariff SE for any commercial sporting ticketed events, which fall outside of Tariff AMS.

Changing use of music at sporting events and key amendments to the Tariff

Tariff SE was last amended in 2007 and since then our research indicates that the way in which music is used at sports events is more varied, for example, emerging sports such as E-Sports use music for far longer than traditional sports, such as football and rugby. The proposed tariff is designed with simplicity in mind, streamlining the licensing purchasing process by including all commercial sports under one tariff, as well as addressing the change in music use. By way of example:

- 1. Build music (music used to build the audience's anticipation before the sporting action) is now often longer than 10 minutes offered in the current allowance under Tariff SE. The new proposal offers additional options to cater for this.
- 2. Some sporting venues now have additional "fan zones" (an area outside or away from the sports venue) where music is audible prior to the event and so shall be considered as part of the overall duration of music audible.
- 3. All customers currently opt for using ground, entry and exit music rather than picking one or two of the options only. As all customers require a licence to all three of these types of music use, we propose licensing all uses as one charge.

- 4. Sports such as E-Sports are increasingly utilising music throughout the action with background music consistently being audible to both players and the audience. The proposed charges reflect this.
- 5. The duration of many sports events has also increased, so we propose to build in additional durations to cover this extended time.
- 6. We are aware that some events use specific musical works on a recurring basis and/or when triggered by specific actions within the event, like a goal being scored, and therefore ask for feedback from the market around the benefits of this type of usage.

We invite feedback on these amended changes from all sports customers, ranging from those venues hosting "traditional" sports such as football, rugby and tennis to newer sports such as E-Sports and Formula E.

The Consultation

Your feedback and opinions are important to us. This public consultation provides an opportunity for customers, members, and other stakeholders to give their views on the proposed Tariff ahead of publishing the new licence in the later part of 2024.

Once the responses have been reviewed, we will publish a summary of these responses along with any further proposals. This consultation does not affect any licence required for the use of commercial sound recordings licensed by Phonographic Performance Limited (PPL).

The consultation is being run in accordance with our <u>Code of Conduct</u>. This outlines our commitment to issue fair, reasonable and proportionate consultations when proposing to introduce a new tariff or to make significant changes to an existing tariff. Our aim is to set reasonable terms and to apply and administer all licensing tariffs fairly and consistently. The Copyright Tribunal has jurisdiction over all existing and proposed licensing schemes and tariffs operated by us.

The consultation will run for **6 weeks from 14 February 2024 until 27 March 2024.** We will review all responses received on or before the closing date. Details on how to respond to the consultation can be found <u>here</u>.

2. Rationale for the Proposal

Why are we proposing to amend Tariff SE?

Tariff SE was last reviewed in 2007 and since then research shows us that the Tariff in its current form does not adequately cover the way music is now used in this market:

1) Currently, there are limitations within Tariff SE on duration allowed for the various types of music usages listed within the Tariff. For example, Tariff SE only permits 10 minutes of "build music", where, as identified above, we understand that customers are routinely using more than 10 minutes of build music. These limitations on duration mean that the Tariff cannot be adequately used by all sports customers. We are therefore proposing to extend these durations, which should be more suitable for the market.

2) We have also established that sports events are currently being licensed under other tariffs, namely, Tariff SR (Skating Rinks) and Tariff GP (General Purposes), which may be confusing to customers. We therefore propose to simplify the licensing of sporting events by bringing all types of commercial sporting events under one Tariff.

3) There are cases when amateur sports clubs offer commercial, ticketed events which feature the same types of music usages as sporting events that fall under SE. These types of events do not qualify for Tariff AMS and so we will now be offering Tariff SE as standard to Tariff AMS customers as a "top-up" for those events that fall outside of Tariff AMS.

3. The Proposed Tariff SE

We have designed a simplified licensing solution so customers can benefit from the use of copyright music while enjoying the sport they love. By amending the existing tariff to include all sports, we can make the purchasing process for customers easier to understand whilst generating and allocating royalties much more efficiently for members.

What usage will the amended Tariff apply to?

The amended tariff gives organisers of sport events the rights for the more than 38 million works PRS for Music represents, for the purposes of:

- Ground music music used as spectators assemble or disperse and during any scheduled intervals at sports events.
- Build, entry and exit music used to (i) signify the start or end of match; (ii) entrance of the players on to the field, track, court or course; and (iii) build the atmosphere prior to the start of the sporting action.
- Featured entertainment music used in live performance that forms part of pre-match, post-match and interval entertainment.
- In-Game music used to signify key moments in the sporting action (but not including build, entry and exit music).
- In-Game background music music used throughout the sporting action but not as a featured part of the event.
- Ticketed sporting events
- Music performed within "fan zones" will be included within the scope of this Tariff, subject to the exclusions below.

Notable proposed changes to the Tariff

- We propose increasing the duration allowance for build music (which was previously limited to 10 minutes), to provide venues additional flexibility. These additional durations have been proposed as different "bands" which can be purchased by a customer, so that the licence fee for customers who only use 10 minutes of build music will remain unchanged.
- We propose including a new charge for in-game background music as we have found that there are a number of sporting events (such as E-Sports) that utilise background music during sporting action. The proposed rate is based on the ground music charge.
- We proposed including additional duration bandings for integral music to account for the increased availability of sporting events with a much longer duration than originally anticipated.
- We propose to include reporting obligations within the Tariff to ensure that all music played at sports events is captured for our members, allowing us to distribute the royalties that you pay accurately.

Proposed Royalty Rates

Usage	Description	Proposed Change	Current Charge	New Charge
		and Justification	per attendee	per attendee
Ground	Ground music only applies prior to any sporting action.	Currently Ground Music is only available to be licensed 1 hour prior to the commencement of the sporting activity. The Proposed Royalty is structured as a "per hour" charge to allow for earlier fan arrival as per our research suggests.	Standard - 0.555p (for up to 1 hour before sporting action commences) Higher – 0.833	Standard - 0.555p (per hour before sporting action commences) Higher 0.833
Build, Entry, Exit Music a) 10 mins prior to event time b) 15 mins prior to event time c) 20 mins prior to event time	Encouragement for fans to go to their seats or to leave the venue. This usage type specifically excludes any featured entertainment.	The Proposed Tariff expands the permitted durations to reflect changing needs of the marketplace. The charge for build music used 10 mins prior to event time remains unchanged. (Durations specific to build music)	Standard a) 1.366p b) n/a c) n/a Higher a) 2.049 b) n/a c) n/a	Standard a) 1.366p b) 2.049p (i.e. 1.366/2)*3 c) 2.732p (i.e. 1.366/2)*4 Higher a) 2.049 b) 3.074 c) 4.098
In Game Background Music	Music usage that is audible in the background whilst sport is "in-action", for example at E-Sports events.	This is a new charge built into the Proposed Tariff to reflect new types of music usage.	N/A	Standard 0.555p per hour Higher 0.833p per hour
Integral Music Per 2 hours of event time	Music usage used to highlight key moments in the sporting action, for example, when a goal is scored.	The Proposed Tariff includes additional durations, which reflect that some sports events now last for a longer period of time.	Standard 1.256p (< 2 hours) 1.956p (> 2 hours) Higher 1.884p (< 2 hours) 2.934p (> 2 hours)	Standard 1.256p (per 2 hours of event time) Higher 1.884p (Per 2 hours of event time)
Featured Entertainment Up 10% of sporting event Up to 25% of sporting event	Featured entertainment using music provided by or with the authority of the venue management by whatever means, including live performance, that forms part of pre-match, post- match or interval entertainment.	No change in Proposed Tariff from rates in existing tariff.	Standard 4.101p 8.123p Higher 6.152p 12.185p	Standard 4.101p 8.123p Higher 6.152p 12.185p
Boxes	A room or other unit from which the sporting action can be viewed, available before, during, and after a match, meeting or event.	No change in Proposed Tariff from rates in existing tariff.	Standard £48.74 Higher £73.11	Standard £48.74 Higher £73.11
Minimum Royalty Charge	Annual Charge Per Premises/Per Permit	No change in Proposed Tariff from rates in existing tariff.	Standard £113.73 Higher £170.60	Standard £113.73 Higher £170.60
			Standard £41.35	Standard £41.35
			Higher £62.03	Higher £62.03

Restrictions and Exclusions

Tariff SE does not apply to:

- musical performances in certain areas of sports venues which are unrelated to sporting activity such as social clubs, shops, cafes, restaurants, hotels, bars,
- musical performances at the premises outside of a sporting event, such as concerts or similar events.

These usages will be licensed under the relevant alternative tariffs, which can be found on our website.

9. What feedback do we need from you?

We want to hear your feedback on the following:

1) The proposal to introduce additional rates for extended durations of use of music within and before sports events

2) The proposal to license all sports under one single Tariff.

3) The increase in scope to include music usage within commercially run sports events of amateur sports clubs.

4) The proposal to collect full and accurate music usage reporting for all qualifying sports events.

Our full list of FAQs can be found on our <u>website</u>.

10. How to Respond to the Consultation

All the details of this review, and any updates, are available on our <u>website</u>. Online responses are preferred, and respondents should complete the <u>response</u> <u>form</u>.

Written responses can be posted to:

Sports Events Consultation Responses

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

Or by email to: sportsevents.consultation@prsformusic.com

Please title your response: Sports Events Consultation

Or visit: www.prsformusic.com/sportsevents

All responses should be received by 27 March 2024.

We will consider all comments received and we have also provided some questions for you to consider when formulating your response which can be found on our website. We may publish comments in our formal response. If you would like us to keep any part of your comment confidential, please let us know by stating this on the <u>response form</u>.

This consultation does not obligate us to implement any of the changes proposed. We may propose an alternative scheme in the light of responses to this consultation.

Next Steps

Following the deadline for submission, we will carry out a review of all the responses received and publish a summary of these on our <u>website</u>. We will seek to hold discussions with customers and representative bodies, as required, and will announce the tariff based on this.

PRS

PRS for Music, the home of the Performing Rights Society (PRS), is one of the world's leading music collective management organisations 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 our members to grow and protect the value of their rights. With a focus on innovation and integrity, PRS for Music is 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.

For businesses and organisations, we play a valuable role. Members have entrusted us to make their copyright music and songs available to be used in exchange for fair remuneration and we provide the required licences for this in a simple and costeffective 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 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 composers and publishers of the music that has been played.



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

www.prsformusic.com

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