

Hotels, restaurants & cafés

Tariff 'HR' (2016.07)



Effective from 1st July 2016

(Also showing previous year's details in brackets)

Contents

1. Scope of tariff
2. Exclusions
3. General conditions
4. Royalty rates
 - 4.1 Featured music
 - 4.1.1 Live music (expenditure £15,065 or more)
 - 4.1.2 Live music (expenditure less than £15,065)
 - 4.1.3 Live music (no expenditure)
 - 4.1.4 Discotheques, karaoke, and other featured recorded music
 - 4.2 Film and video shows
 - 4.3 Exhibitions, trade and fashion shows, etc.
 - 4.4 Background music in lounges, bars, restaurants, fast food outlets, dining & other rooms
 - 4.5 Background music in hotel bedrooms, corridors and foyers
 - 4.6 Small residential hotels
 - 4.7 Seasonal reduction
 - 4.8 Minimum annual royalty
5. Value Added Tax
6. Inflation adjustment
7. Definitions

1. Scope of tariff

This tariff applies to performances in the United Kingdom of copyright music within *PRS for Music's** repertoire* at hotels, boarding houses, guest houses, restaurants, fast food outlets, cafés, banqueting suites and function rooms.

2. Exclusions

Excluded from this tariff are performances at theatre restaurants, theatre cafés and similar premises.

Licensees will pay the *PRS for Music's* charges in respect of any performances excluded from this tariff, in accordance with the appropriate tariff or tariffs.

3. General conditions

This tariff is subject to *PRS for Music's* General Conditions Applicable to Tariffs and Licences, available on request from *PRS for Music*.

* See Definitions, section 7

Performing Right Society Limited
Representing music creators and publishers of music
Registered in England No. 134396
Registered Office 2 Pancras Square, London, N1C 4AG
Website: <http://www.prsformusic.com>

Page 2

(Tariff 'HR' 2016.07)

4. Royalty rates

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.

The following rates of charge apply to all royalties falling due on or after the effective date of this tariff.

	Higher royalty	Standard royalty
4.1 Featured music		
4.1.1 Where the total annual expenditure on the provision of music* by performers* is £15,065 (£14,916) or more or, when the performances are seasonal, £667 (£660) per week the royalty is4% of	6% of such expenditure (6%)	such expenditure (4%)
4.1.2 For performances where the total annual expenditure on the provision of music by performers is less than £15,065 (£14,916) or, when the performances are seasonal £667 (£660) per week - provided that: the maximum annual royalty for performances in this category is£602.60	£903.90 (£894.96)	(£596.64)
- and/or		
4.1.3 for performances of live music where the no expenditure, such as at letting or functions where the hirer provides his own royalty per function for the first 100 persons£10.24 and per 25 persons capacity (or part thereafter£2.60	£15.36 (£15.21) £3.90 (£3.86)	Licensee incurs banqueting music, the capacity* is (£10.14) thereof (£2.57)

* See Definitions, section 7

	Higher Royalty	Standard royalty
4.1.4 For karaoke performances* and all other featured performances by record, compact disc or tape player* primarily for entertainment by means of discotheque equipment or otherwise for dancing at discos, ordinary dances, dinner dances, supper dances, banquets and similar functions with musical entertainment, the royalty per function for the first 100 persons capacity is.....£10.24	£15.36 (£15.21)	(£10.14) thereof)
and per 25 persons capacity (or part thereafter£2.60	£3.90 (£3.86)	(£2.57)
4.1.5 Provided that: sessions where both live and recorded music is performed music for the charge will be charged at the same rate as above unless the live such sessions is chargeable under 4.1.1 in which case for the recorded music for the first 100 persons capacity is£5.15		
and per 25 persons capacity (or part thereafter£1.27	£7.73 (£7.65)	(£5.10) thereof)
	£1.91 (£1.89)	(£1.26)

* See Definitions, section 7

	Higher royalty	Standard royalty
4.2 Film and video shows		
For performances (whether by means of the soundtrack or otherwise) during film or video shows in a room or place being specially used for the primary purpose of video or cinema exhibition, and with seating arranged accordingly, the royalty per screening for the first 100 persons seating capacity is	£5.15	
	£7.73 (£7.65)	(£5.10)
and per 25 persons seating capacity (or part thereof) thereafter	£1.27	
	£1.91 (£1.89)	(£1.26)
4.3 Exhibitions, trade & fashion shows,		
etc.		
For performances of music at events such as exhibitions, trade & fashion shows, the daily royalty is as follows:		
Floor area of room		
Up to 100 square metres	£17.06	
	£25.59 (£25.34)	(£16.89)
101 - 150 square metres	£25.65	
	£38.48 (£38.10)	(£25.40)
151 - 200 square metres	£34.20	
	£51.30 (£50.79)	(£33.86)
Over 200 square metres	£42.69	
	£64.04 (£63.41)	(£42.27)

	Higher royalty	Standard royalty
4.4 Background music* in lounges, bars, restaurants, fast food outlets, dining rooms and other rooms for the general use of guests or customers		
Unless the terms of sub-paragraph 4.6 apply the annual royalty per room for performances by the following is:		
4.4.1 Terrestrial television and/or satellite/cable television (without video)		
Up to 30 seating capacity£128.13	£192.20 (£190.29)	(£126.86)
Each additional 20 seating capacity (or part thereof)£42.69	£64.04 (£63.41)	(£42.27)
4.4.2 Radio		
Up to 30 seating capacity£128.13	£192.20 (£190.29)	(£126.86)
Each additional 20 seating capacity (or part thereof)£42.69	£64.04 (£63.41)	(£42.27)
4.4.3 Record and/or compact disc and/or tape player		
Up to 30 seating capacity£225.52	£338.28 (£334.94)	(£223.29)
Each additional 20 seating capacity (or part thereof)£75.17	£112.76 (£111.65)	(£74.43)

	Higher royalty	Standard royalty
* See Definitions, section 7		
4.4.4 Music centre or radio cassette player*		
Up to 30 seating capacity£256.27	£384.41 (£380.60)	(£253.73)
Each additional 20 seating capacity (or part thereof)£85.42	£128.13 (£126.86)	(£84.57)
4.4.5 Video Player* (with or without television facilities through the same screen) except performances where there are special seating arrangements for viewing, or when the player is used for discotheque performances		
Up to 30 seating capacity£194.80	£292.20 (£289.31)	(£192.87)
Each additional 20 seating capacity (or part thereof)£64.95	£97.43 (£96.47)	(£64.31)
4.4.6 Audio Juke Box*		
Up to 30 seating capacity£256.27	£384.41 (£380.60)	(£253.73)
Each additional 20 seating capacity (or part thereof)£85.42	£128.13 (£126.86)	(£84.57)
4.4.7 Video Juke Box*		
Up to 30 seating capacity£358.77	£538.16 (£532.83)	(£355.22)
Each additional 20 seating capacity (or part thereof)£119.57	£179.36 (£177.59)	
	(£118.39)	

**Standard
royalty**

* See Definitions, section 7

	Higher royalty	Standard royalty
4.4.8 Provided that:		
4.4.8.1 where two or more different kinds of instruments mentioned in section 4.4 are audible in the same room , the combined charges for those instruments, in respect of that room, are reduced by 10%.		
4.4.8.2 where the instruments mentioned in section 4.4 are audible at fast food outlets or at catering establishments offering both seated accommodation and a separate counter/ take-out service, the rates will be increased by 17.5%.		
4.5 Background music in hotel bedrooms, corridors and foyers		
Unless the terms of sub-paragraph 4.6 apply the annual royalty for all or any performances as above is calculated by reference to the number of letting bedrooms in the hotel. The rates per 15 bedrooms (or part thereof) are as follows:		
4.5.1 Terrestrial television and/or satellite/cable television and/or radio and/or video player£50.29	£75.44 (£74.69)	(£49.79)
4.5.2 Record and/or compact disc and/or tape player£85.42	£128.13 (£126.86)	(£84.57)
4.5.3 Terrestrial television and/or satellite/cable television and/or radio and/or video player, plus record and/or compact disc and/or tape player£102.55	£153.83 (£152.30)	(£101.53)

4.5.4 Provided that:

- for music in bedrooms, the royalty is calculated by reference to the number of bedrooms **fitted** for such musical performances and
- where music is performed in foyers and/or corridors, the maximum annual royalty is the equivalent of that for 60 **letting** bedrooms, and

- where music is performed both in bedrooms and foyers and/or corridors, only one royalty (the greater of that calculated above) is charged.

	Higher royalty	Standard royalty
4.6 Small residential hotels		
Where <i>PRS for Music</i> is satisfied that an hotel:		
<ul style="list-style-type: none"> • has 15 or fewer letting bedrooms <p style="text-align: right;">and</p> <ul style="list-style-type: none"> • restricts the use of all its facilities to its residential guests <p>then the hotel annual royalty for all performances described in sub-paragraph 4.4.1 to sub-paragraph 4.5 above is limited to£128.13</p>		4.4.5 and (£126.86)
4.7 Seasonal reduction	£192.20 (£190.29)	
All royalties under sub-paragraphs 4.4, 4.5 and 4.6 are reduced by one-third where the premises are open for not more than 26 weeks in the licence year, subject to a minimum annual royalty of£42.69		(£42.27)
4.8 Minimum annual royalty	£64.04 (£63.41)	
The minimum annual royalty under this tariff (with the exception of that under clause 4.7) is £50.29		(£49.79)
	£75.44 (£74.69)	

5. 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.

6. 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.

After application of the inflation adjustment any expenditure threshold figure will be rounded to the nearest pound, with all other royalty rates rounded to the nearest penny.

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

7. Definitions

- **annual expenditure on the provision of music** means the total of:
 - gross salaries, gross wages; plus fees, expenses or other emoluments paid to performers (excluding any disc jockeys);
 - and gross fees (net of any Value Added Tax) paid to third parties for the services of performers.
- **audio jukebox** means a machine (other than a video jukebox) for playing recorded music, capable of being operated by the insertion of a coin, token or card.
- **background music** means music when performed by a record, compact disc, or tape player otherwise than for featured performances or music performed by a radio or television set operated on the premises or diffused through a loud-speaker from another part of the premises or a source outside the premises, but (unless the context requires otherwise) excludes performances by a video player.
- **capacity**
 - Where the accommodation of a room is limited to seating, the capacity shall be the total number of seats available in that room.
 - Where, for example in the case of discotheque performances, there is no formal means of calculating the accommodation limit of a room the capacity shall be the maximum number of persons which can reasonably be accommodated in the room, or permitted under any regulation by Fire Authorities.

- **karaoke performances** means those performances given by unpaid singers in conjunction with specially produced recorded music, with or without the provision of video-presented synchronised lyrics.
- **music centre or radio-cassette player** means a combination of units of equipment (comprising radio and recorded means) capable of reproducing sound from more than one source through a single sound system.
- **performers** means singers and performers of musical instruments, including orchestra conductors or leaders, whether or not they combine in their performance other activities such as dancing or acting as comperes.
- **PRS for Music** is the trading name of the Performing Right Society Limited
- **PRS for Music's repertoire** means all and any musical works (including any words associated therewith), the right of public performance in which is controlled by *PRS for Music* or by any of the societies in other countries with which *PRS for Music* is affiliated.
- **record, compact disc or tape player** means any gramophone, compact disc, tape or cassette player, or other mechanical device for playing musical works, except:
 - a video player, or
 - a device, such as a jukebox, capable of being operated by the insertion of a coin, token or card.
- **video jukebox** means a machine for playing recorded music synchronised with a video or similar visual display and capable of being operated by the insertion of a coin, token or card.
- **video player** means any equipment for exhibiting videograms, whether on tape or disc, except video players capable of being operated by the insertion of a coin, token or card.

Tariff 'HR' is the subject of an order of the Copyright Tribunal under the Copyright, Designs and Patents Act, 1988. This document represents a statement of the main provisions of that tariff, with the exception of clause 4.4.8.2 (referring to music at fast food outlets) which *PRS for Music* added to the tariff from 6 July 1996, following consultations with the British Hospitality Association. A full copy of the original Order of the Copyright Tribunal, with relevant annexes and schedules, made on 27 December 1991, is available from *PRS for Music* on request.

2016.07 edition