PRS for Music Digital Fitness and Dance Consultation



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Introduction

We ("PRS for Music") are holding a public consultation on a proposed new licence, tailored to the UK digital fitness market generating less than $\pm 150,000$ per annum.

Current customers in the UK digital fitness sector 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.

Over the past few years, we have surveyed our customers and worked with key stakeholders in this market 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 LOML and replace it with more licences which are tailored to specific groups of users.

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.

The consultation

This consultation will run for **4 weeks** from **29 January 2025 until 26 February 2025**, and we will review all responses received on or before the closing date. Details on how to respond can be found on page 5.

Your views are important to us and so we are inviting you, our customers, members and stakeholders to give their views on the proposed licence. Once the responses have been reviewed, we will publish a summary of these responses along with any further proposals.

This consultation runs in accordance with our <u>Code of Conduct</u>, which 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 proposed Digital Music Licence for Fitness

Our Proposal

Why we are proposing these changes

As the LOML and LOML + schemes are phased out, we want to ensure that smaller UK operators and instructors earning less than £150,000 per annum can still access a licence tailored to their needs, especially as more of their content moves online.

In developing this new scheme, trade bodies in this sector have provided us with the following insights and requirements:

- A wish for affordable Music: Cost is a major barrier to using popular commercial music.
- A simplified licensing process: The perceived complexity of music licensing is a deterrent, using this licence could help streamline the licensing process and provide clear, concise information on usage rights.
- **Copyright Assurance for Users**: Instructors need reassurance regarding copyright compliance. Producers can offer licences that explicitly grant the necessary rights for fitness instruction.

In addition, feedback in support of a tailored licence in this area highlights the importance of being able to use music that is:

"Familiarity to customers. They would rather exercise to music they know. It's more motivating and a wider choice of genres" and "The word "popular" is describing the reason why this genre of music can motivate us in ways that royalty free/licensed music cannot"

The Proposal

We've designed a simplified licensing solution so that customers can make the most of PRS & MCPS members' repertoire, allowing their attendees to enjoy exercising to commercial music. This new licence is specifically tailored to smaller UK operators and instructors earning under £150,000 per annum, particularly those offering more of their content online to a UK audience. The benefits of this new licence include:

• **Pricing based on actual usage**: The licence fee will be calculated using the customer's actual number of streams rather than estimates or broad bands, a more accurate pricing model.

- Reduced reporting requirements for smaller users: An annual minimum fee will require no regular reporting (only a 6- or 12- month check-in) making it easier for hobbyists and new entrants to the market to use the broad PRS and MCPS members' repertoire of copyright music.
- **Tailored rate for tuition and dance classes:** Following the principles of our public performance Tariff F&D (Fitness and Dance), this rate is specifically designed for the unique needs of fitness and dance professionals.

Licence Scope

This licence is designed for UK digital services offering on-demand or live streamed content of fitness classes. For clarity, this licence only covers UK services generating less than £150,000 per annum.

Repertoire:

- 1. PRS repertoire and that of affiliated societies
- 2. MCPS Commercial and Production Music repertoire

Rights:

The communication to the public of PRS Repertoire Mechanical rights in MCPS commercial repertoire works for the purpose of making such repertoire and content available for use on the licensed service.

Territory: UK

Rates:

Dance class (tuition) Rate	Fitness Rate	Right Covered	Usage Type
£0.0255	£0.04 per track per on- demand stream	Performance and Mechanical Right	Per Track, per On- Demand Stream
£0.0191	£0.03	Performing and Mechanical Right	Per Track per Live Stream

Minimum fees:

- £188+VAT
- No reporting required for customers on minimum fee

How to respond to the consultation

We hope you like our proposal; you can submit your response <u>here</u>. Updates, frequently asked questions and further details on this consultation can be found on our <u>website</u>.

All responses should be received by 26 February 2025.

Next steps

We will take all comments received into account when creating and reviewing the licence. To better understand the market and your licensing needs we will hold discussions with key customers and representative bodies. We may publish comments received in our formal response. If you would like us to keep any part of your comment confidential, you will be able to opt out on the response form.

This consultation does not mean that we will implement changes proposed, however the responses we receive will be taken into account and we may propose further changes or an alternative option.

Contact us

If you would like to speak with us regarding this consultation and your response, you can email us at FandD.Consultation@prsformusic.com.

We do accept written responses, which can be posted to:

Digital Fitness and Dance Consultation PRS for Music 1st Floor Goldings House 2 Hays Lane London SE1 2HB

Thank you for taking part in this consultation and we look forward to your response.

PRS for Music is one of the world's leading music collective management organisations representing the rights of more than 175,000 talented songwriters, composers, and music publishers around the globe. Headquartered in the UK, it works diligently on behalf of its 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 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 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.



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www.prsformusic.com

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