

PRS for Music Internet Radio Licence Consultation

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Introduction

We (“PRS for Music”) are holding a public consultation on our proposed new Internet Radio Licence.

Many businesses using music online will currently have our Limited Online Music Licences (LOML and LOML+), which have been in place for over 15 years.

In 2023, we carried out a survey of our customers so we could understand their experience with the LOML and how they used music to support their digital services.

Results showed that only 50% of all customers felt confident they had purchased the right licence, highlighting the confusion around using music online. In response to this feedback, we’re introducing sector-specific licences, tailored to the markets’ needs.

The consultation

This consultation will run for **4 weeks** from **9 October until 6 November** and we will review all responses received on or before the closing date. Details on how to respond can be found on page 6.

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

This consultation runs in accordance with our [Code of Conduct](#), 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 Internet Radio Licence

The Internet Radio Licence¹ has been designed so that customers can easily benefit from broadcasting our members' music to their listeners.

This new proposed licence will be a one-stop-shop for all internet radio customers, from hobbyist stations to large independents, and features:

- Removal of the £12.5k or £200k revenue cap applied to the LOML (+) licences.
- A more accurate pricing model: licence fee to be calculated based on a customer's actual number of streams (rather than banded estimates).
- An annual minimum fee, to encourage hobbyists and new entrants to the market to use copyright music.
- Inclusion of 'on-demand' services as part of the 'listen again' rate.

Proposed Royalty Rates

- Webcast per stream rate: £0.0013 / 0.13p

The user can listen to musical works as part of the intended webcast / radio programme, but has no ability to pause, rewind or skip tracks from the transmission of the linear radio programme or stream of music.

- Interactive webcast per stream rate: £0.0016 / 0.16p

The user can either pause, rewind and skip tracks during the transmission (or a combination of all three).

- Introduction of an On Demand / Catch up per stream rate: £0.0025 / 0.25p

The user can choose to listen to programme material on demand, provided that programme is limited to 30 days after the original broadcast.

E.g. an Internet Radio programme that has 360,000 webcast streams of the 'live broadcast' would pay £468 (360,000 X £0.0013). If it also has 36,000 streams of the programme via the listen again / catch up function it would pay an additional £90.00 (36,000 X £0.0025).

- Annual minimum fee £188 + VAT (150,000 streams) intended for hobbyist stations

¹ We define Internet Radio stations as stations that transmit radio programmes or webcast music online only (i.e. no terrestrial, DAB broadcasts or true simulcasts), to a UK audience. Typically, Internet radio stations don't require a licence from the regulator Ofcom to transmit their programme material however, some elements of commercial radio stations services who do typically require Ofcom licences will fall within the scope of this licence.

Proposed changes to the new licence include:

Licence fee to be calculated by actual streams rather than estimates

We are proposing a webcasting per stream rate of £0.0013 / 0.13p.

Currently, under LOML we ask customers to estimate the number of streams their service generates in a 12- month period in order to calculate the licence fee. As a result, a customer at the lower end of the applicable band pays the same as a customer at the top end of the same band.

By way of example, two customers on LOML band C which permits up to 900,000 streams p.a. If station A generated 360,001 streams and station B generated 900,000 streams, both customers would pay the same licence fee.

Under our proposed licence, station A would now pay £468 (£0.0013 X 360,001) and station B would pay £1,170 (£0.0013 X 900,000), a much more accurate reflection of how music is being used by the internet radio stations.

Introduction of an annual minimum fee (£188 + VAT)

The annual minimum fee of £188+VAT has been introduced to reduce administrative burdens for hobbyist radio stations and will require no reporting once purchased.

To simplify the purchasing process further the number of webcasting streams available in the annual minimum fee will align with PPL's Linear webcast licence (150,000 streams per year). Customers who then exceed the 150,000 streams in a 12-month period will pay per additional stream £0.0013 / 0.13p thereafter and will be required to report to us quarterly.

Introduction of an On Demand / Catch up per stream rate (£0.0025 / 0.25p)

Following feedback from our customers, we are proposing to broaden the scope of this licence to give internet radio stations the opportunity to offer their listeners the option to listen again to shows on demand as part of a catch-up radio / listen again rate. Just under half (45%) of our current customers we surveyed offer on demand shows either via a third party or via their website or stated they would like to be able to offer on demand listen again in the future. This on demand feature will be limited to 30 days from the original transmission.

Introduction of uncapped number of streams

To futureproof this new licence, we are looking to remove the limits on the permissible number of streams in the licence period.

Removal of revenue caps

This licence will be a one-stop-shop for all online radio stations by removing the revenue cap previously installed under LOML (£12.5k) and LOML+ (200k). Stations will have peace of mind that their licence will be valid as their audiences grow. They can report to us quarterly as they would usually.

Reporting requirements

Reporting requirements for all customers exceeding the 150,000 streams p.a.:

To help us calculate precisely where members' repertoire is being played and how much to distribute in royalties to members, we propose that stations send us reporting quarterly in arrears. For customers who fall within the annual minimum fee, we may ask them to provide a report upon request for the most recent six or twelve-month period to confirm the station still falls within the permissible number of streams. We think this would be the most accessible way of reporting as in a recent survey of internet radio customers, 85% stated that they are able to provide at least some level of reporting to us, either by average weekly listeners or by an accurate breakdown of listeners per show.

What rights will the Internet Radio Licence cover:

- The communication to the public of PRS repertoire
- The communication to the public of Production Music Sound Recordings
- Mechanical rights in MCPS repertoire for the purpose of transmitting to users on the Licensed Service.

Restrictions & Exclusions

This licence will not include any of the following:

- Any audio-visual content or programme material
- Podcasts
- Long Term Restricted Service Licence stations (RSL)
- Community Radio Stations (licensed under the community radio licence administered by PPL)
- Listen again / catch up on demand radio content that is over 30 days from original broadcast period.
- 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.

How to respond to the consultation

We hope you like our proposal; you can submit your response [here](#). Updates, frequently asked questions and further details on this consultation can be found on our [website](#).

All responses should be received by 6 November 2024.

Next steps

We will take all comments received into account when creating and reviewing this 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 comments 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, please email consultations@prsformusic.com.

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

Digital Music Licence consultation

PRS for Music

1st Floor

Goldings House

2 Hays Lane

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SE1 2HB

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

PRS and MCPS

To represent PRS & MCPS's collective licensing activities we use the term PRS for Music throughout this document.

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.

The Mechanical Copyright Protection Society (MCPS) collects and distributes mechanical royalties to songwriters, composers and music publishers when their works have been copied or reproduced. Mechanical royalties are generated when a musical work is reproduced onto CD, vinyl, DVD, downloaded and streamed or synchronised into a TV programme. Each organisation has its own board of directors: the Members' Council of PRS (previously known as the PRS Board) and the MCPS Board of MCPS. PRS for Music Ltd has a separate board of directors (the board) which sets strategy and supervises the operations of PRS for Music. The Board consists of writer and publisher members who are drawn from the Council, as well as external directors and our CEO.



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