

EXAMPLE PRINCIPLES FOR CHARGES FOR CHARITIES AND NON PROFIT ORGANISATIONS (NPOs) PAYABLE TO PRS FOR MUSIC AND PPL SHOULD THE STATES DECIDE TO REMOVE THE EXEMPTIONS FOR CHARITIES AND NPOs FOR THE PLAYING OF RECORDED MUSIC.

The following provides additional information in relation to the States Report "Removal of Exemption for Charities and NPOs in Relation to Sound Recordings."

General

These notes should be read with the Flow Chart which contains additional information.

If a charity or NPO does not use recorded music, it will not require a licence.

Some uses by charities and NPOs are exempt from the need for a licence. (see details below)

A general principle is that the premises / venue are licensed, rather than the activity/charity/NPO.

Annual licences can be purchased for ongoing activities, or one off licences for individual events.

PRS for Music will act for PPL for Community Hall applications and issue a joint licence where appropriate.

PPL will also act for *PRS for Music* in relation to Amateur Sports Clubs and issue a joint licence where appropriate.

CCLI (Collecting society for churches that reproduce words for religious songs) can act for *PRS for Music* & PPL. Their charges are based on congregation numbers which can sometimes give a beneficial rate.

It is the responsibility of the charity or NPO to liaise with *PRS for Music* and/or PPL to determine whether a licence is required and the level of fees that would be payable for the public playing of live music and sound recordings (recorded music).

Where there is a single worker, *PRS for Music* and PPL each operate a discretionary policy where they do not charge for their licence for this usage.

Some music recordings can be purchased as "Copyright free" or where the rights holders have agreed to waive their charges. Licences need not be purchased to play such recordings.

Charities and NPOs have previously required a licence from *PRS for Music* in order to reimburse composers, music publishers and songwriters. The States agreed in July 2013 and October 2013 to remove exemptions in the Copyright and Performers' Rights Ordinances that will in future (following a 12 month grace period) require charities and NPOs, with effect from November 2014, to also purchase a licence from PPL in order to reimburse record companies and performers.

Community Building

Community buildings licences start from £44.50 to each of PPL and *PRS for Music*, a minimum of £89.00 per annum in total for both payable to *PRS for Music* (who administer the joint licensing scheme in relation to community buildings). It is reasonable for the community building to include a portion of the licence charge in the premises rental charge for groups and organisations hiring the building and playing recorded music. There are also permits available at a lower cost for one off events.

Where the community building is itself a registered charity or NPO, and it purchases licences from *PRS for Music* and/or PPL on behalf of the users of the premises, it will be able to apply to the Commerce and Employment Department for reimbursement of a portion of the licence fee, subject to the provisions of the scheme. It is reasonable to assume that the community hall would not receive both C&E subsidy scheme reimbursement, and also charge its hall users a part of the cost of the licences ie receive double

payment for one cost. It is likely that the C&E subsidy scheme will not reimburse all of the cost of the licences.

Note - All registered Bailiwick charities and NPOs that purchase licences directly from *PRS for Music* and/or PPL can apply in January for reimbursement of part of the licence cost from the Commerce and Employment subsidy scheme. This is administered by the Guernsey Registry.

Not-for-profit (amateur) Sports Club

Playing background music in the bar / social club area, where the income is used to offset club expenses, or use of music during other events and activities.

If the club is truly a non profit organisation, then PPL do not currently charge in the UK – but *PRS for Music* do, using their Tariff JMC for Members' Clubs. Charges start from £93.06 per annum (p.a.).

PRS for Music and PPL are working to introduce a joint licensing scheme and tariffs for amateur sports clubs, administered by PPL (likely to commence early 2014) following the removal of exemptions in the UK. *PRS for Music* and PPL have separately negotiated with the Sport and Recreation Alliance. Further details of the fees and tariff structure will be available shortly

There are separate charges for other events held at the premises or on its grounds where recorded or live music is played. There are also permits available at a lower cost for one off events.

Where charity events take place in commercial buildings such as hotels, Beau Sejour Leisure Centre

Commercial buildings currently need to resolve licensing arrangements with *PRS for Music* and PPL for their own use. The current proposals do not alter this.

Where charities and any NPO hire a part of commercial premises, then the charity or NPO reaches an agreement with the hirer regarding the costs of hire. An element of this charge should be and will continue to be in respect of costs for the commercial buildings of PPL and *PRS for Music* licences for the playing of live or recorded music. In this instance the charity would generally not need to obtain a separate licence for the playing of background recorded music.

Where the commercial building does not have a *PRS for Music* and PPL licence, then the charity or NPO may need to obtain a one off licence for the event from *PRS for Music* and PPL. The fees will depend on the nature of usage, numbers etc, and can be obtained directly from *PRS for Music* and PPL.

Where the licence fee is payable between a commercial business and *PRS for Music* and PPL it will not be possible for the charity to reclaim this element of their costs from the Commerce and Employment Department proposed reimbursement scheme. However it should be realised that the charge relating to the playing of recorded music should be a minor element of the charge for the charity hiring the room.

Where the licence fee is payable directly from the charity or NPO to *PRS for Music* and PPL, then it will be possible for the charity to apply for subsidy assistance reimbursing part of the costs from the Commerce and Employment Department's proposed reimbursement scheme.

Care home (NPO)

PRS for Music and PPL make no charge for their licence where the usage is consistent with domestic usage. However, a licence fee will be payable for music used in staff areas such as offices and staff canteens and at organised events where a charge is made to the residents.

Hospice, Refuge or similar premises

PRS for Music and PPL do not make a charge for their licence for any music use in a hospice, refuge or similar premises, where the music use is consistent with the activity of the centre, and consistent with domestic usage. However, a licence fee will be payable for music used in staff areas such as offices and staff canteens and at organised events.

Religious Services

PRS for Music and PPL have a discretionary charging policy whereby they do not make a charge for the use of recorded music in religious services. This includes weddings and funerals etc, and events after services.

CCLI is a collecting society licensing the copying of words and music for churches. It can also act on behalf of *PRS for Music* and PPL licensing the playing of recorded music in the church community

buildings, with the cost based on congregation size. This may give a reduced charging rate when compared to the standard community buildings charge.

Medical Therapy

Use of music during medical therapy is exempt from the need for a licence – i.e. Alzheimers Society singing along to nostalgic music. *PRS for Music* and PPL will not make a charge for this usage.

Where fundraising events take place on States property – ie schools and hospitals

Schools should have licences for the playing of recorded music. Generally PTA type events should be covered by the school licence. The event organisers ought to confirm with the school that their use of music is covered by the licence. Other events organisers on other property ought to confirm whether the main user of the property has a licence that covers their proposed use of music.

Coffee Lounge and Day Care Centres

Use of music as background in a coffee lounge – this would generally be licensable, but there would be no charge made by *PRS for Music* and PPL if this takes place in a residential home or a day care centre (eg where people living independently benefit from day-care services) and is consistent with domestic usage.

Music used during fundraising events

Music played during a fundraising event, for example a festival or ticketed event will require licences. The level of charge is affected by the location and type of the event. Some venues will themselves have a licence which will cover the event.

Music Quiz and Music Round in a Quiz

Where an extract of a song/piece of music is played during a music quiz, a licence is usually required from *PRS for Music* and PPL. However if the music is used in no more than one round of the quiz, PPL and *PRS* will not charge a fee. Background music e.g. prior to or after the event would require a licence but the education/ church/ community/ sports/ commercial hall or premises may have a licence that covers this use – this should be determined.

Small community and charity events (e.g. small fundraising events)

PRS for Music operates a discount scheme for small community and charity events, subject to meeting specific criteria. For example garden fetes. A discount of up to 100% of the licence fee is available, in exchange for advertising *PRS for Music's* support of the event.

PPL licenses such events either under the joint community buildings tariff or on one of its standard tariffs, whichever is cheaper.

Hospital Radio

The provision of hospital radio currently requires licences from both *PRS for Music* and PPL. However *PRS for Music* and PPL make no charge for their licence where the usage is consistent with domestic usage, for example patients listening to either national or hospital radio whilst being treated as in-patients.

However, a licence fee will be payable for music used in staff areas such as offices and staff canteens and at organised events.

Further details are available here:

http://www.prsformusic.com/users/broadcastandonline/Radio/hospital_radio/Pages/hospitalradio.aspx

Subsidy Scheme

The Commerce and Employment Department will provide a subsidy scheme which will help to reimburse a portion of the fees payable to the collecting agencies. This will be available to Bailiwick charities and NPOs that are registered with Guernsey Income Tax and Sark Chief Pleas.

Bailiwick charities and NPOs undertaking activities which are not exempt from the need for a licence and in premises not covered by a licence should currently be purchasing a licence from *PRS for Music*. This reimburses songwriters, composers and music publishers. Following the States decisions in July and October 2013, Bailiwick charities and NPOs will, after October 2014 (12 months grace period for the PPL element), need to also purchase a licence from PPL so that record companies and performers can also be reimbursed.

Proof of purchase of licence and reimbursement form should be submitted to the Guernsey Registry in January 2015 in respect of payments made during the calendar year 2014. Payments made to PRS for Music or PPL in 2013 will not be reimbursed.

Further information

PRS for Music, www.prsformusic.com

Charging Policies:

<http://www.prsformusic.com/users/businessesandliveevents/musicforbusinesses/Pages/doineedlicence.aspx>

Contact – Customer Services on tel 08453093090.

Email customerservices@prsformusic.com

PPL, www.ppluk.com

Contact – The New Business Team on tel 02075341000 or Adam Milne on tel 02075341039.

Email ppcustomer.service@ppluk.com

CCLI www.ccli.co.uk/

Guernsey Registry,

Contact – 01481 743800

E mail enquiries@guernseyregistry.com

This document has been prepared by the Registrar of Intellectual Property, and the content has been considered and agreed by PRS for Music and PPL.

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1 November, 2013