



Dear

Important legal changes affecting your music licence

As a *PRS for Music* customer, we are contacting you to ensure that you are aware of the recent changes in law that govern the use of copyright music in community buildings, and how they will affect you.

What has happened?

On 1 January 2011, the law was changed and community buildings playing recorded music are now, in almost all cases, required to hold a PPL licence as well as a *PRS for Music* licence.

As you may be aware, *PRS for Music* licenses the public performance of musical compositions on behalf of songwriters, composers and music publishers. Entirely separate to this, PPL licenses the public performance of recorded music on behalf of record companies and performers. The change in copyright law means that, for the first time, PPL is able to license community buildings too.

How have *PRS for Music* and PPL responded to this change?

PRS for Music and PPL are working together to offer a simple solution. PPL is operating a one year 'grace period' and will not charge community buildings for their recorded music use during 2011.

From January 2012, *PRS for Music* and PPL will introduce a new joint music licence for community buildings.

What does this mean for you?

PRS for Music will act as an agent for PPL, issuing a new joint music licence that grants you the permissions you need from both organisations to play recorded music, and from *PRS for Music* to host live music.

Please note, as the joint licence will include the additional right to play recorded music controlled by PPL, your annual fee will increase to incorporate both sets of charges. As the PPL charges come into effect from 1 January 2012, your joint licence invoice may incorporate an additional element of back payment. Please see the FAQs overleaf for more information.

What happens next?

You don't need to do anything at this stage. When your *PRS for Music* licence is due for its annual review in 2012, we will contact you with more information about the new joint music licence.

If you have any queries that are not covered in the FAQs overleaf, please don't hesitate to contact us on **0845 140 0090**, or visit **prsformusic.com/ppljointlicence**

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Keith Gilbert', with a long horizontal line extending to the right.

Keith Gilbert
Director, Public Performance Sales
PRS for Music

Joint Music Licence for Community Buildings

FAQs

1. What is the difference between *PRS for Music* and PPL?

Copyright law exists to protect music in different ways. Businesses and organisations that play music in public will often require a licence from both *PRS for Music* and PPL. *PRS for Music* collects and distributes fees for the use of musical compositions (including lyrics) on behalf of songwriters, composers and music publishers. PPL collects and distributes fees for the use of recorded music on behalf of record companies and performers.

2. How has the law changed regarding community buildings?

The Copyright, Designs and Patents Act 1988 (referred to below as the 1988 Act) states that playing music in public requires the permission of the copyright owner. Playing in public (also referred to as public performance) has a wide legal meaning covering the playing of music outside domestic life. It therefore includes the use of music in community buildings, and *PRS for Music* has licensed such buildings for many years.

PPL has similarly licensed the public performance of recorded music for many years (with this licence covering the use of the recording itself), having been established in 1934. However, the 1988 Act previously contained exceptions which meant that, if certain conditions were met, a PPL licence was not required where recorded music was played in public as part of the activities of charities and certain other not-for-profit organisations. Therefore, in the past PPL has not licensed community buildings.

These exceptions have been revoked following a government consultation, with effect from 1 January 2011. From that date, community buildings playing recorded music are no longer exempt from requiring a PPL licence in addition to a *PRS for Music* licence. However, PPL is operating a 'grace period' throughout 2011, so community buildings will only require a PPL licence from 1 January 2012.

3. How does this affect my existing *PRS for Music* licence?

If you are a community building using recorded music e.g. CDs, MP3s, radio or TV, you will now require a PPL licence as well as a *PRS for Music* licence. *PRS for Music* and PPL are working together to offer a joint licence, available through *PRS for Music*, as a one-stop solution to community buildings' music licensing requirements.

Please note that a PPL licence will not be required if you only feature live bands, or in the unlikely event that the recorded music you play is not controlled by PPL. A *PRS for Music* licence is not required in the unlikely event that the only music you play, either recorded or during live events, is not controlled by *PRS for Music*.

4. What will happen and when?

You do not need to take any action until your existing *PRS for Music* licence is due for its annual review in 2012. We will contact you nearer the time with more information about converting to the new joint licence, and will explain what you need to do. PPL's charges for community buildings will be very similar to the existing *PRS for Music* charges, and will be based on the same definition of 'income' to keep things simple for community buildings.

5. How will the joint licence be administered?

The joint licence will be administered by *PRS for Music*, acting on its own behalf and on behalf of PPL. As part of the joint licensing arrangements *PRS for Music* will be passing your contact details to PPL, but *PRS for Music* will continue to be your point of contact for any queries or changes regarding your licence. Similarly, you will only need to make a single payment of fees to *PRS for Music* (who will then pass on the PPL element of those fees to PPL).

6. What will the PPL charges be?

To provide a simple solution for customers, PPL's tariff for community buildings will be very similar to the existing *PRS for Music* tariff. In particular, it applies to the same types of community buildings as *PRS for Music* tariff CB and uses the same definition of "income". In summary, the PPL charges will be calculated as follows:

- For community buildings with an annual income of £10,000 or less: **£42 per annum** (subject to annual adjustment for inflation)
- For community buildings with an annual income of over £10,000: **1% of annual income**

PRS for Music charges continue to be calculated as:

- **1% of annual income** subject to a **minimum charge of £42 per annum**

The full details of the PPL and *PRS for Music* tariffs for community buildings can be found at the website links given below.

7. Will backdated charges apply?

Although the change in the law took effect on 1 January 2011, PPL is operating a 'grace period' throughout 2011, so community buildings will only need a PPL licence from 1 January 2012.

To try to keep things as simple as possible, community buildings will keep the same annual review date that applies to their existing *PRS for Music* licence. This means that, if your review date falls partway through 2012, your initial joint licence invoice will incorporate a one-off additional PPL charge for the period between 1 January 2012 and your review date.

So for example, if your review date is 1 July 2012, your initial joint licence invoice will include a PPL back payment covering 1 January 2012 to 30 June 2012, as well as the PPL and *PRS for Music* charges for the subsequent 12 months.

8. Where can I find further information?

PRS for Music
prsformusic.com/ppljointlicence

PPL
ppluk.com