

DIFFERENCES BETWEEN TARIFF 15A & TARIFF 16 LICENCES:

BACKGROUND MUSIC LICENCES



If you use background music in your business, a SOCAN licence is required. This licence, which is certified by the Copyright Board of Canada, gives you permission to use copyright protected musical works from anywhere around the world. The music licence fees collected are distributed as royalties to SOCAN members who are songwriters, composers, lyricists and music publishers.

There are two ways of getting your licence. You can get it directly with SOCAN as a Background Music licence under Tariff 15A, or through a subscription with a Background Music Supplier under Tariff 16. The differences between the two licences are outlined below.

DIFFERENCES BETWEEN TARIFF 15A & TARIFF 16 LICENCES

Tariff 15A

This licence allows you to use background music for the public in your establishment.

- ▶ Covers only the use of background music. (Licensees have to purchase their own music, and can enjoy their choice of music using CD's, iPod, internet radio and Television, and it also covers the use of music in videos).
 - ▶ Applies to businesses such as restaurants, bars, hotels, retail establishments, professional offices and similar businesses.
 - ▶ Tariff 15A is an annual blanket licence, based on the size of the area accessible to the public (square footage) of the business.
 - ▶ Paid annually, by January 31 of the licensed year, or within 30 days of the date on which music was first performed (during the first year of operation).
 - ▶ Annual fee is \$1.23 per square metre or 11.46 cents per square foot; half the annual rate for establishments operating less than six months per year. (Minimum fee of \$94.51 may apply).
- EXAMPLE: IF if you operate a 100 square metre store and use CD's to play background, the licence fees will be: 100 x \$1.23 per square foot = \$123.00 for the year plus applicable taxes.
- ▶ Licence fees are not based on frequency of music use. Licensees can use as much or as little music, and can use any genre of music of the world's entire repertoire.
 - ▶ If you also have Music on Hold, you will need a separate licence under T.15B.
 - ▶ T.15B licence is an annual blanket licence, based on the number of lines on which music on hold can be heard at any given time.
 - ▶ Paid annually, by January 31 of the licensed year, or within 30 days of the date on which music was first performed.
 - ▶ Annual fee is \$94.51 for the main line plus \$2.09 for each additional line.

Tariff 16

This licence covers background music suppliers to communicate music to their subscribers via telecommunications, and/or authorizes their subscribers to play (publicly perform) background music, including telephone music on hold.

- ▶ Covers background music and music on hold provided to subscribers.
- ▶ SOCAN Licence fees are paid through your subscription to the music supplier and varies according to your service/contract. The quarterly fees are 2.25% of the subscription revenue for the telecommunication and/or 7% of the subscription revenue for the public performance of music.
- ▶ Music Suppliers offer music packages targeted to your customers and brand.
- ▶ Different subscriptions exist, which can give you the flexibility in music that you want to use.
- ▶ You might incur additional expenses for installation, equipment rental, etc.

There are benefits and costs associated with both licences. The choice is yours, as long as your business is licensed to ensure it is in compliance with the Copyright Act.

IF YOU HAVE FURTHER QUESTIONS ABOUT SOCAN LICENSING, PLEASE CONTACT SOCAN

at 1.866.944.6210 or licence@socan.ca.

SOCAN