

Copyright Board  
Canada



Commission du droit d'auteur  
Canada

Date	2025-06-27
Citation	SOCAN Tariff 21 – Recreational Facilities (2026-2028), 2025 CB 6
Member	Drew Olsen
Proposed Tariff Considered	SOCAN Tariff 21 – Recreational Facilities Operated by a Municipality, School, College, University, Agricultural Society or Similar Community Organizations (2026-2028)

### **Approval of Proposed Tariff**

**As**

**SOCAN Tariff 21 – Recreational Facilities Operated by a Municipality, School, College, University, Agricultural Society or Similar Community Organizations (2026-2028)**

### **Reasons for Decision**

#### **I. Overview**

[1] These reasons relate to a tariff proposed by the Society of Composers, Authors and Music Publishers of Canada (SOCAN): *Tariff 21 - Recreational Facilities Operated by a Municipality, School, College, University, Agricultural Society or Similar Community Organizations (2026-2028)* (the "Proposed Tariff").

[2] The Proposed Tariff covers performances in public of the musical works and dramatico-musical works in SOCAN's repertoire in a recreational facility operated by a municipality, school, college, university, agricultural society or similar community organizations, during recreational activities that would otherwise be subject to Tariff 5.A (Exhibitions and Fairs), Tariff 7 (Skating Rinks), Tariff 8 (Receptions, Conventions, Assemblies and Fashion Shows), Tariff 9 (Sports Events), Tariff 11.A (Circuses, Ice Shows, Circuses, Ice Shows, Fireworks Displays, Sound and Light Shows and Similar Events.) or Tariff 19 (Fitness Activities and Dance Instruction).

[3] To be eligible under SOCAN Tariff 21, a user's gross annual revenues must not exceed a certain amount. This amount acts as a ceiling.

[4] I find that a tariff based on the Proposed Tariff is fair and equitable, and approve it with no changes except those relating to the inflation calculation and to accurately refer to the tile of listed tariffs that may otherwise apply.

[5] I fix an annual rate at \$246.64 for each facility if the user's gross revenue from certain events during the year covered by the tariff does not exceed \$21,735.86.

## II. Background

[6] The Proposed Tariff was filed on October 15, 2024. The Proposed Tariff was duly published and objectors were provided with an opportunity to file objections, as provided for in subsection 68.3(2) of the *Copyright Act*.

[7] No objections were filed in regard to the Proposed Tariff.

[8] The previously approved tariff for the years 2023 to 2025 fixed the royalty rate at \$235.48 for each facility if the user's gross revenue from certain events during the year covered by the tariff does not exceed \$20,752.21 (the "Last-Approved Tariff")<sup>1</sup>.

[9] The Proposed Tariff includes an increase of these amounts for inflation to \$286.13 for each facility if the user's gross revenue from certain events during the year covered by the tariff does not exceed \$25,215.43.

[10] Other terms and conditions of the Proposed Tariff are unchanged from the Last-Approved Tariff.

## III. Analysis

[11] I considered the following issues:

1. Whether the Last-Approved Tariff is an appropriate proxy for the Proposed Tariff.
2. Whether the inflationary adjustment is appropriate.

### **Issue 1 - Whether the Last-Approved Tariff is an appropriate proxy for the Proposed Tariff**

[12] The Board has frequently held that it is appropriate—absent reasons to the contrary—to use the previously approved tariff as a proxy of what could be fair. The Board has identified changes in the relevant market as one potential indicator of whether an adjustment to the rate is appropriate or necessary.<sup>2</sup>

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<sup>1</sup> *SOCAN Tariff 21 – Recreational Facilities Operated by a Municipality, School, College, University, Agricultural Society or Similar Community Organizations (2023-2025)* 2023 CDA 11-T (November 25, 2023), C Gaz I, Supplement, vol 157, No. 47.

<sup>2</sup> For example, *SOCAN Tariff 9 – Sports Events (2018-2023)* 2021 CB 6 (October 1, 2021).

[13] In this proceeding, SOCAN has not proposed any market-based changes to the royalty rates beyond the adjustment for inflation and has not mentioned any other changes to the market.

[14] Since there is no information on the record that points to market-based changes relevant to the consideration of the Proposed Tariff, I have no reason to question the appropriateness of the proxy.

[15] Therefore, I find that the Last-Approved tariff is an appropriate proxy in this proceeding. I however make changes to accurately cite the title of the tariffs that apply above the ceiling.

## **Issue 2 – Whether the inflationary adjustment is appropriate**

[16] The Board has found in the past that adjustments for inflation are appropriate, as, among other reasons, it helps preserve the purchasing power of rights holders.<sup>3</sup>

[17] In this proceeding, I apply applies the Board's default methodology <sup>4</sup>, relying on Statistics Canada's Consumer Price Index (CPI) monthly series for Canada, all items, not seasonally-adjusted and not adjusted for taxes, to calculate the inflation adjustment.

[18] In accordance with this methodology, inflation represents the percentage change in the CPI between the month following the last adjustment period to the last full-year of data available, no later than the end of the year preceding the tariff's effective period. In this proceeding, the inflation adjustment period is from January 2023 to December 2024. The CPI for January 2023 is 153.9, and for December 2024 is 161.2. Applying the inflation calculation method in the Board's guidelines<sup>5</sup>, the inflation rate for this period is calculated to be 4.74%.

[19] Applying this 4.74% increase to the last approved tariff annual rate and revenues ceiling of \$235.48 and \$20,752.21, respectively, results in a new annual rate of \$246.64 and a \$21,735.86 revenue ceiling. SOCAN had proposed an increase of 21.5% to \$286.13 and \$25,215.43 respectively, which is higher than the actual inflation rate for the period. I therefore adjust it to reflect the actual inflation increase.

## **IV. Decision**

[20] The Proposed Tariff, with changes to the annual royalty, ceiling rate for this tariff to apply, and title of otherwise applicable tariffs is approved under the title *SOCAN Tariff 21 – Recreational Facilities Operated by a Municipality, School, College, University,*

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<sup>3</sup> For example, For example, *SOCAN Tariff 14 – Performance of an Individual Work (2025-2027)* 2024 CB 4 (July 19, 2024).

<sup>4</sup> Copyright Board, *Inflation Adjustments To Royalty Rates: Default Methodology*, 2024 ("Guidelines").

<sup>5</sup> See Guidelines under "Step 1: Determination of the Inflation Rate" at p. 4.

*Agricultural Society or Similar Community Organizations (2026-2028)*. Therefore, a rate of \$246.64 for each facility if the user's gross revenue from certain events during the year covered by the tariff does not exceed \$21,735.86 will apply.