



**NOTICE OF GROUNDS FOR PROPOSED RE:SOUND TARIFF 6.C – USE OF
RECORDED MUSIC TO ACCOMPANY ADULT ENTERTAINMENT
(2024-2028)**

1. Description and examples of activities covered by the proposed tariff

The proposed tariff applies to the performance in public or the communication to the public by telecommunication in Canada, of published sound recordings of musical works and performers' performances of such works, to accompany adult entertainment. In simpler terms, it applies to the use of recorded music to accompany adult entertainment performances in venues such as strip clubs.

2. Description of the group of users intended to be covered by the proposed tariff

The proposed tariff is intended to cover adult entertainment clubs and other venues offering adult entertainment such as nightclubs, dance clubs or hotels.

3. Explanation of how the royalty rates were determined

The proposed rates are based on the last approved tariff, which is based on SOCAN Tariff 3.C, increased to allow for a repertoire adjustment of up to 100%, estimated inflationary adjustments to the end of 2028, and an estimated 20% increase to the value of music.

4. Explanation of how the information that would be collected by Re:Sound pursuant to the proposed tariff would be used

The information to be collected under section 5 of the proposed tariff is the same information required under the previously approved tariff. It would be used by Re:Sound to identify the establishment for which royalties are being paid, ensure Re:Sound has up-to-date contact information for the establishment, and to calculate and verify the establishment's royalty payments.

5. Identification and explanation of changes from the previously approved tariff

Royalties (s.4)

The proposed rates are increased for the reasons outlined above.

Records and Audits (s.6)

Section 6(3) is revised to require Re:Sound to share the results of an audit with other Canadian collective societies with tariffs applicable to the same uses as the proposed tariff in order to increase efficiencies and reduce the need for multiple audits of the same establishment by different collective societies.

This document has not been made nor issued by the Copyright Board. It has not been translated and is only available in the language in which it was filed with the Board.

Le présent document n'émane pas de la Commission du droit d'auteur. Il n'a pas été traduit et il est disponible uniquement dans la langue dans laquelle il a été déposé auprès de la Commission.

Confidentiality (s.7)

Sections 7(1) and 7(2)(a) are revised for consistency with more recently certified Re:Sound tariffs. Section 7(2)(b) is revised to allow Re:Sound to share information in connection with the collection of royalties or enforcement, not just with SOCAN, but with any other Canadian collective society with a tariff applicable to the same uses as the proposed tariff. This proposed revision would increase efficiencies and allow for potential joint enforcement practices.

Adjustments (s.8)

Section 8 has been revised to impose a 12 month limit on adjustments on account of overpayments made by an establishment. As a self-reporting tariff, the accurate calculation of royalties owing rests solely on the establishment. In order to be able to make timely and accurate distributions to rights holders, Re:Sound cannot be subject to unlimited adjustments on account of retroactive overpayments, based on information that is solely in the hands of an establishment.

Late Payments and Reporting (s.9)

Section 9 has been revised to include a financial disincentive for late reporting under the proposed tariff. The last approved tariff provides for interest payable on late payments which acts as a disincentive for establishments to miss their payment due date. The proposed revision would provide a similar disincentive for late reporting which increases Re:Sound's costs of administering the tariff.

Addresses for Notices, etc. (s.10) and Delivery of Notices and Payments (s.11)

The use of fax numbers has been removed from these provisions as it is out of date and no longer used by Re:Sound as a means of communication.

This document has not been made nor issued by the Copyright Board. It has not been translated and is only available in the language in which it was filed with the Board.

Le présent document n'émane pas de la Commission du droit d'auteur. Il n'a pas été traduit et il est disponible uniquement dans la langue dans laquelle il a été déposé auprès de la Commission.