

## **NOTICE OF GROUNDS FOR PROPOSED TARIFF**

Filed with the Copyright Board by SOCAN on 2023-10-23 pursuant to Rule 15 of *Copyright Board Rules of Practice and Procedure*

### **SOCAN Tariff 5.B – Concerts at Exhibitions and Fairs (2025-2027)**

#### **1. Description of Uses Covered by the Proposed Tariff**

This tariff applies to performances in public of any or all of the works in SOCAN's repertoire, at musical concerts presented at exhibitions or fairs, where an admission charge is made that is separate from any charge that may apply to the exhibition or fair itself.

#### **2. Description of Users / Groups of Users Covered by the Proposed Tariff**

Users are organizers, promoters, or presenters of concerts during exhibitions or fairs where an additional admission charge is made for attendance at the concert. Importantly, it is the nature of the use, and not the nature of the user, that determines whether the tariff applies.

#### **3. Explanation of How Royalties are Determined**

The proposed royalty rate for 2025-2027 is 3% of gross receipts from ticket sales to the concert, exclusive of any applicable taxes, subject to a minimum fee of \$60.14. Where the concert ticket allows the purchaser access to the exhibition grounds at any time after the opening on the day of the concert, the adult general grounds admission price shall be deducted from the ticket price to produce the net ticket price.

The percentage of gross receipts royalty is the same as the royalty previously approved in 2022 (2020 CB 009-T).

The proposed tariff adds a minimum fee per concert. The amount of the proposed minimum fee is the same as the minimum fee proposed for concerts under proposed Tariff 4.A, which, itself, has been increased for inflation according to the Board's established CPI-adjustment formula based on projected CPI for the relevant years. According to the Board's adjustment formula, this figure will likely change once actual CPI data is available. Notwithstanding the proposed royalties, SOCAN requests that the Board certify a minimum per-concert fee for Tariff 5.B that matches the maximum inflationary increase that SOCAN is entitled to under the Board's adjustment formula for concerts under Tariff 4.A at the time of certification of that tariff.

#### **4. Submissions on the Collection of Information**

The proposed tariff does not require the collection of any information aside from the total amount of royalty payable per exhibition or fair.

#### **5. Explanation of Changes from Previously Approved Tariff**

Proposed Tariff 5.B includes the following changes from the previously approved tariff:

- 1) The proposed tariff introduces a minimum fee as described above.

2) The proposed tariff adds a “Terms and Conditions” section that includes clauses concerning taxes on royalty payments and interest on late royalty payments. These clauses are consistent with other approved SOCAN tariffs and were included in the “General Provisions” of the previously approved tariff. The audit clause from the previously approved tariff has been moved to this general “Terms and Conditions” section.

3) To comply with the Board’s *Practice Notice on Filing of Proposed Tariffs* [PN 2019-004 rev. 3], the proposed tariff has been revised to remove references to licences and limit itself to royalty rates and any related terms and conditions.