

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

Filed with the Copyright Board by SOCAN on 2024-10-15 pursuant to Rule 15 of *Copyright Board Rules of Practice and Procedure*

### **SOCAN Tariff 11.B – Comedy Shows and Magic Shows (2026-2028)**

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

This tariff applies to public performances of any or all of the musical works in SOCAN's repertoire by means of recorded music or performers in person in conjunction with events where the primary focus is on comedians or magicians and the use of music is incidental.

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

Users are either event organizers or hosting venues who organize or authorize the public performance of music as part of a magic or comedy show. Users can also be individual comedians or magicians. 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 2026-2028 is \$56.37 per event.

The proposed royalty is based on the previously approved tariff. The proposed royalty rate has been increased since the previously approved tariff, which was approved in 2022 for the years 2023 to 2025 (2022 CB 10-T). This proposed increase accounts for inflation according to the Board's established CPI-adjustment formula and the Board's default methodology as published by the Board in its *Inflation Adjustment to Royalty Rates – Default Methodology*. The inflation calculation commences in January 2022. SOCAN has estimated the appropriate inflationary increase based on projected CPI for years that full CPI data is not available. According to the Board's adjustment formula, this figure will likely change once actual CPI data is available. Notwithstanding the proposed royalty rate, SOCAN requests that the Board certify the maximum inflationary increase that SOCAN is entitled to under the Board's adjustment formula at the time of approval of the tariff and that such inflation calculation commence as of the last inflationary increase to the royalty rate.

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

The proposed tariff requires users to report, within 30 days after the event, the date, name and location of the event. The information collected under the proposed tariff is needed to calculate and verify the applicable royalties, as well as to confirm for which events royalties have been paid.

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

- 1) The explanation for the proposed rate for 2026-2028 is found above.
- 2) The proposed tariff includes a clarification to the application section. The proposed tariff clarifies that a comedy act or a magic act that is primarily a musical act is covered by a different SOCAN tariff.
- 3) The previously approved tariff did not specify reporting obligations. The proposed tariff requires users to report the information described above within 30 days after the event. As described above, the basic reporting obligations in the proposed tariffs are needed to calculate and verify the applicable royalties, and are consistent with the reporting that SOCAN has received under this tariff for many years, as well as with Re:Sound's reporting obligations under Re:Sound Tariff 5.I (Comedy and Magic Shows).