

PROPOSED TARIFF

Filed with the Copyright Board by SOCAN on 2025-10-15 pursuant to subsection 67(1) of the *Copyright Act*

Proposed Tariff Title: *SOCAN Tariff 22.D.3 – Allied Audiovisual Services (2027-2029)*

For the communication to the public by telecommunication of musical or dramatico-musical works.

Effective Period: 2027-01-01 – 2029-12-31

SOCAN TARIFF 22.D.3 – ALLIED AUDIOVISUAL SERVICES (2027-2029)

Application

1. (1) This tariff sets the royalties to be paid, for the years 2027 to 2029,

(a) to communicate to the public by telecommunication, including by making available to the public by telecommunication in a way that allows a member of the public to have access to a work from a place and at a time individually chosen by that member of the public; or

(b) to authorize the communication to the public by telecommunication of,

works in SOCAN's repertoire, as the context may require, in connection with the operation of an allied audiovisual service and its authorized distributors.

(2) Except as provided for herein, this tariff does not apply to uses covered by other SOCAN tariffs, including:

(a) communications to the public by telecommunication by a broadcast television station, such as those covered by SOCAN Tariff 2.A;

(b) communications to the public by telecommunication in connection with the transmission of a television signal for private or domestic use, such as those covered by SOCAN Tariff 17;

(c) communications to the public by telecommunication by an online music service, such as those covered by SOCAN Tariff 22.A;

(d) communications to the public by telecommunication by an online audiovisual service, such as those covered by SOCAN Tariff 22.D.1;

(e) communications to the public by telecommunication by a user-generated content

service, such as those covered by SOCAN Tariff 22.D.2; and

(f) communications to the public by telecommunication by a game service, such as those covered by SOCAN Tariff 22.G.

(3) Royalties for uses covered by this tariff shall be paid either by the allied audiovisual service under the terms of this tariff or by its allied conventional service under the terms of the SOCAN tariff applicable to that conventional service, provided that, in doing so:

(a) all uses and revenues referred to in this tariff are accounted and paid for (i.e., if not under this tariff, then under the tariff applicable to that conventional service, either SOCAN Tariff 2.A or SOCAN Tariff 17);

(b) the rate base, if applicable, is determined and reported to SOCAN appropriately; and

(c) all royalties that would otherwise be payable by the allied audiovisual service and the conventional service under this and other applicable SOCAN tariffs are paid.

(4) This tariff does not authorize the use of any works in SOCAN's repertoire in connection with the training of, or the generation of any output by, any artificial intelligence system.

Definitions

2. In this tariff,

"additional information" means, in respect of each musical work contained in a file, the following information, if available:

(a) the unique identifier assigned by the service to the musical work;

(b) the title of the musical work;

(c) the name of each author of the musical work;

(d) the name of each performer or group to whom each sound recording contained in the file is credited;

(e) the name of the person who released each sound recording contained in the file;

(f) the International Standard Recording Code (ISRC) assigned to each sound recording in the file;

(g) if any sound recording in the file is or has been released in physical format as part of an album, the name, the identifier, the product catalogue number and the Universal Product Code (UPC) assigned to the album, together with the associated disc and

track numbers;

(h) the name of the music publisher associated with the musical work;

(i) the International Standard Musical Work Code (ISWC) assigned to the musical work;

(j) the Global Release Identifier (GRid) assigned to the musical work and, if applicable, the GRid of the album in which the musical work was released;

(k) the running time of the musical work, in minutes and seconds; and

(l) any alternative title used to designate the musical work or each sound recording in the file; (« *renseignements additionnels* »)

“allied audiovisual service” means an online audiovisual service that is analogous to—and operated in conjunction with, by or in support of, the operations of—a conventional service, and the content of which is duplicative, complementary or adjunct to the content offered by the conventional service; (« *service audiovisuel allié* »)

“audiovisual program” means any combination of sounds and visual images that are intended to inform, enlighten, or entertain, irrespective of its duration, initial intended use, or manner of distribution; (« *programme audiovisuel* »)

“AV ratio” means

(i) the ratio of AV SOCAN revenue to Internet-related revenue, or, if that ratio cannot be determined based on the revenue data available to the licensee,

(ii) the ratio of AV usage to all usage, or, if that ratio cannot be determined based on the usage data available to the licensee,

(iii) 100%; (« *ratio AV* »)

“AV SOCAN revenue” means Internet-related revenue arising from AV usage other than non-SOCAN AV usage; (« *revenus AV de la SOCAN* »)

“AV usage” means the usage that allows a person to hear an audiovisual program; (« *utilisation AV* »)

“BDU” means a distribution undertaking as defined in the *Broadcasting Act*, S.C. 1991, c. 11; (« *EDR* »)

“Canadian AV SOCAN revenue” means AV SOCAN revenue arising from Canadian usage; (« *revenus AV canadiens de la SOCAN* »)

“Canadian usage” means the usage of an allied audiovisual service by persons in Canada; (« *utilisation canadienne* »)

“conventional service” means (i) an over-the-air television station, (ii) a pay and specialty service, (iii) a community channel, (iv) a BDU, or (v) a programming or non-programming service, that, during the years 2027 to 2029, pays royalties to SOCAN for

(a) the communication to the public by telecommunication by a broadcast television station under and pursuant to SOCAN Tariff 2.A, and/or

(b) the communication to the public by telecommunication in connection with the transmission of a television signal for private or domestic use under and pursuant to SOCAN Tariff 17; (« *service conventionnel* »)

“cue sheet” means a report containing, at minimum, the following information: the title of the audiovisual program, the title of each of the musical works embedded into the audiovisual program, the name of the author of each of the musical works, the duration of each of the musical works, and the total running time of the audiovisual program; (« *rapport de contenu musical* »)

“domestic ratio” means

(i) the ratio of Canadian AV SOCAN revenue to all AV SOCAN revenue, or, if that ratio cannot be determined based on the revenue data available to the licensee,

(ii) the ratio of Canadian usage to all usage, or, if that ratio cannot be determined based on the usage data available to the licensee,

(iii) 10%; (« *ratio national* »)

“file” means a digital file of an audiovisual program; (« *fichier* »)

“Internet-related revenue” means all revenues generated by Internet-related activities, including membership, subscription and other access fees, amounts paid for advertising, product placement, promotion, and sponsorship, net revenues from the sale of goods or services, and commissions on third-party transactions, but excluding

(a) revenues that are already included in calculating royalties pursuant to another SOCAN tariff;

(b) agency commissions;

(c) the fair market value of any advertising production services provided by the allied audiovisual service; and

(d) network usage and other connectivity access fees; (« *revenus d'Internet* »)

“non-SOCAN AV usage” means AV usage that allows a person to hear an audiovisual program containing musical works for which a SOCAN licence is not required, and for which the allied audiovisual service retains records establishing the basis upon which it claims a SOCAN licence is not required; (« *utilisation AV non-SOCAN* »)

“on-demand stream” means a stream selected by the end user and received at a place and time individually chosen by that end user; (« *transmission sur demande* »)

“online audiovisual service” means a service that offers streams containing audiovisual programs to end users over the Internet or other similar digital network, and includes a service that also offers end users the ability to cache files for offline listening or viewing; (« *service audiovisuel en ligne* »)

“play” means the single delivery of a stream; (« *écoute* »)

“production music” means music contained in interstitial programming, such as commercials, public service announcements and jingles; (« *musique de production* »)

“quarter” means from January to March, from April to June, from July to September and from October to December; (« *trimestre* »)

“rate base” means

(i) Canadian AV SOCAN revenue or, if not available,

(ii) Internet-related revenue × AV ratio × domestic ratio; (« *assiette tarifaire* »)

“stream” means a file that is intended to be copied onto a local storage medium or device only to the extent required to allow listening to or viewing of the file at substantially the same time as when the file is received; (« *transmission* »)

“subscriber” means an end user with whom an allied audiovisual service or its authorized distributor has entered into a contract for service, other than on a transactional per-stream basis, whether for a fee, for other consideration or free of charge, including pursuant to a free subscription; (« *abonné* »)

“usage” means usage of an allied audiovisual service measured by such reasonable measures of usage as are commonly and/or customarily used by the service; (« *utilisation* »)

“year” means a calendar year. (« *année* »)

Royalties

Standard Rates

3. (1) Subject to subsection 4(2) and section 6, the royalties payable are:

(a) for a service that charges per-program fees to end users: 3% of the amounts paid by Canadian end users for plays for which a SOCAN licence was required, subject to a minimum of 17¢ per program communicated;

(b) for a service that offers subscriptions to end users: 3% of the amounts paid by Canadian subscribers, subject to a minimum of 19.5¢ per subscriber per month. In the case of a single, initial free trial of up to 31 days in any 12-month period offered to induce a prospective subscriber to enter into a paid subscription, there shall be no royalty fee payable; and

(c) for a service that receives Internet-related revenue in connection with its communication of audiovisual programs: 3% of the rate base.

(2) For an allied audiovisual service with revenues from more than one of the categories in paragraphs (1)(a), (b) and (c), the royalties shall be determined in accordance with each applicable paragraph, but the calculation in paragraph (c) shall exclude any fees charged to end users pursuant to paragraphs (a) and (b), and the related usage.

Low Music Use Rates

4. (1) An allied audiovisual service qualifies for low music use rates in a month, if:

(a) the service's transmissions of audiovisual programs contain musical works for which a SOCAN licence is required, excluding production music, that in total account for less than 20% of the overall time of the transmissions and the service keeps and makes available to SOCAN, upon request, records sufficient to demonstrate this calculation for 90 days after a month in which the low music use rate is paid; or

(b) in the case where the records referred to in paragraph (a) to qualify for low music use rates have not been kept, the conventional service with which the allied audiovisual service is allied requires a licence from SOCAN, excluding production music, for less than 20% of the conventional service's total air time and keeps and makes available to SOCAN, upon request, complete recordings of its last 90 broadcast days, and the content and usage patterns of the allied audiovisual service are substantially similar to those of the conventional service with which it is allied.

(2) Subject to section 6, the royalties payable for an allied audiovisual service that qualifies for low music use rates are:

(a) for a service that charges per-program fees to end users: 1.5% of the amounts

paid by Canadian end users for plays for which a SOCAN licence was required, subject to a minimum of 17¢ per program communicated;

(b) for a service that offers subscriptions to end users: 1.5% of the amounts paid by Canadian subscribers, subject to a minimum of 19.5¢ per subscriber per month. In the case of a single, initial free trial of up to 31 days in any 12-month period offered to induce a prospective subscriber to enter into a paid subscription, there shall be no royalty fee payable; and

(c) for a service that receives Internet-related revenue in connection with its communication of audiovisual programs: 1.5% of the rate base.

(3) For an allied audiovisual service with revenues from more than one of the categories in paragraphs (2)(a), (b) and (c), the royalties shall be determined in accordance with each applicable paragraph, but the calculation in paragraph (c) shall exclude any fees charged to end users pursuant to paragraphs (a) and (b), and the related usage.

Subscribers

5. For the purpose of calculating the minimum payable pursuant to paragraphs 3(1)(b) or 4(2)(b), the number of subscribers shall be determined as at the end of the month in respect of which the royalties are payable.

Other Rate – No Revenue

6. For an allied audiovisual service with no revenue in a year, the royalties shall be \$129.95 per year.

Reporting Requirements

Service Identification

7. (1) No later than 20 days after the end of the first month during which an allied audiovisual service communicates a file requiring a SOCAN licence, the service shall provide to SOCAN the following information:

(a) the name of the person who operates the service, including:

(i) if a corporation, its name and its jurisdiction of incorporation,

(ii) if a sole proprietorship, the name of the proprietor,

(iii) if a partnership, the names of each partner, and

(iv) in any event, the names of the principal officers or operators of the service or any other service,

together with any other trade name under which the service carries on business;

(b) the address of its principal place of business;

(c) the name, address and email of the persons to be contacted for the purposes of notice, for the exchange of data and for the purposes of invoicing and payments of royalties;

(d) the name and address of any authorized distributor; and

(e) the Uniform Resource Locator (URL) of each website and the name of each application or platform at or through which the service is or will be offered, as applicable.

Sales and Music Use Reporting

(2) No later than 20 days after the end of each month, each allied audiovisual service shall provide to SOCAN a report setting out for that month, in relation to each file that was delivered as a stream, the following information, if available:

(a) the title of the program and/or series, the year of production, episode name, number, season, and running time, and any other information that would assist SOCAN in identifying the file;

(b) the number of plays of the file;

(c) the number of plays of all files;

(d) the International Standard Audiovisual Number (ISAN) assigned to the file;

(e) in the case of a translated program, the title in the language of its original production; and

(f) the additional information.

(3) No later than 20 days after the end of each month, the allied audiovisual service shall also provide to SOCAN a report setting out for that month:

(a) for an allied audiovisual service that charges per-program fees to end users, the total amount paid by Canadian end users for plays for which a SOCAN licence was required;

(b) for an allied audiovisual service with subscribers,

(i) for each subscription offering, the number of subscribers to the service at the end of the month and the total amounts paid by them during that month,

(ii) the number of subscribers provided with free subscriptions as of the end of the month, and

(iii) the number of end users provided with an initial free trial referred to in paragraph 3(1)(b) or 4(2)(b) as of the end of the month and the total number of plays of all files by such end users during that month; and

(c) for an allied audiovisual service that is required to pay royalties pursuant to paragraph 3(1)(c) or 4(2)(c),

(i) the service's Internet-related revenue; and

(ii) (A) if the service's rate base for the month was its Canadian AV SOCAN revenue, then its (1) Canadian AV SOCAN revenue, (2) AV SOCAN revenue, (3) AV SOCAN usage, (4) AV usage, (5) Canadian usage and (6) total usage, or

(B) if the service's rate base for the month was not its Canadian AV SOCAN revenue, then its AV ratio and its domestic ratio and all the usage data upon which each ratio is calculated, including, in respect of each play for which the service claims a SOCAN licence is not required, the information set out in subsection 4.

(4) If the allied audiovisual service claims that a SOCAN licence is not required for a file, the service shall provide information that establishes why the licence is not required.

(5) For an allied audiovisual service for which royalties are payable pursuant to more than one paragraph of subsection 3(1) or 4(2), the service shall file a separate report pursuant to each subsection of this section.

Files Made Available

8. Upon request, an allied audiovisual service shall provide to SOCAN, for each file that was made available to members of the public for on-demand streaming at any time during the year, regardless of whether the file was transmitted to any end user,

(a) if available, the cue sheet; or

(b) if a cue sheet is not available, the information specified in paragraph 7(2)(a).

SOCAN shall not make such a request more frequently than twice per year.

If a cue sheet is not available for a file, the service shall, at SOCAN's request, use commercially reasonable efforts to secure the cue sheet from any third party, including from the producer of the audiovisual program.

Administration

Calculation and Payment of Royalties

9. (1) Royalties payable under section 3 or 4 shall be due no later than 30 days after the end of each month.

(2) Royalties payable under section 6 shall be due no later than January 31 after the end of the year.

(3) All amounts payable under this tariff are exclusive of any federal, provincial or other governmental taxes or levies of any kind.

(4) All amounts required to be reported or paid under this tariff shall be reported or paid in Canadian dollars.

Late Payments

10. Any amount not received by its due date shall bear interest from that date until the date the amount is received. Interest shall be calculated daily, at a rate equal to 1% above the Bank Rate effective on the last day of the previous month (as published by the Bank of Canada). Interest shall not compound.

Adjustments

11. If, as a result of the discovery of an error or otherwise, the amount of the royalties paid or payable, including excess payments, requires an adjustment, then SOCAN or the allied audiovisual service shall immediately notify the other party, provide an explanation for the claimed adjustment, and propose an adjustment solution, such solution subject to the other party's consent (not to be unreasonably withheld). Adjustments shall not be made in respect of any other royalties or fees owed to SOCAN by the allied audiovisual service under another tariff or agreement without SOCAN's consent. No adjustment may be made to royalties paid more than six years previously. For greater certainty, this provision does not apply to any adjustments pursuant to an audit conducted under this tariff.

Records and Audits

12. (1) An allied audiovisual service shall keep and preserve, for a period of six years after the end of the month to which they relate, records from which the information set out in sections 3 to 7 can be readily ascertained, including — if the service has based its royalty calculation on either its AV ratio or domestic ratio, or both — all the usage data the service relied upon in calculating the AV ratio and/or domestic ratio.

(2) SOCAN may audit these records at any time during the period set out in subsection (1), on reasonable notice and during normal business hours, but no more frequently than

once in any 12-month period.

(3) Subject to subsection (4), if an audit discloses that royalties due have been understated in any quarter by more than 10%, the allied audiovisual service shall pay the reasonable costs of the audit within 30 days of the demand for such payment.

(4) For the purposes of subsection (3), any amount owing as a result of an error or omission on the part of SOCAN shall not be taken into account.

Confidentiality

13. (1) Subject to subsections (2) and (3), SOCAN, an allied audiovisual service and its authorized distributors shall treat in confidence information received pursuant to this tariff, unless the disclosing party consents in writing to the information being treated otherwise.

(2) Information referred to in subsection (1) may be shared

(a) between the allied audiovisual service and its authorized distributors in Canada;

(b) with the Copyright Board;

(c) in connection with proceedings before the Copyright Board, once the disclosing party has had a reasonable opportunity to request a confidentiality order;

(d) with any person who knows or is presumed to know the information;

(e) to the extent required to effect the distribution of royalties;

(f) with SOCAN's agents and service providers to the extent required by the service providers for the service they are contracted to provide; and

(g) if required by law.

(3) Subsection (1) does not apply to information that must be provided pursuant to the *Copyright Act*, to information that is publicly available, to aggregated information, or to information obtained from someone other than the allied audiovisual service or its authorized distributors and who is not under an apparent duty of confidentiality with respect to the supplied information.

Addresses for Notices

14. (1) Anything addressed to SOCAN shall be sent to 41 Valleybrook Drive, Toronto, Ontario M3B 2S6, email: licence@socan.com, or to any other address or email address of which an allied audiovisual service has been notified in writing.

(2) Anything that SOCAN sends to an allied audiovisual service shall be sent to the last

address or email address of which SOCAN has been notified in writing.

Delivery of Notices

15. (1) Subject to subsection (2), a notice may be delivered by hand, by postage-paid mail by email or by File Transfer Protocol (FTP).

(2) Information provided pursuant to sections 7 and 8 shall be delivered electronically, by way of delimited text file or in any other format agreed upon by SOCAN and the allied audiovisual service.

(3) A notice or payment mailed in Canada shall be presumed to have been received four business days after the day it was mailed.

(4) A notice sent by email or by FTP shall be presumed to have been received the day it is transmitted.