

NOTICE OF GROUNDS FOR PROPOSED TARIFF

Filed with the Copyright Board by SOCAN on 2024-03-08 pursuant to Board Order [CB-CDA 2024-009]

SOCAN Tariff 18 – Recorded Music for Dancing (2023-2025)

1. Description of Uses Covered by the Proposed Tariff

This tariff applies to public performances of recordings of musical works in SOCAN's repertoire for the purpose of dancing by patrons in bars, cabarets, restaurants, taverns, clubs, dining rooms, discotheques, dance halls, ballrooms and similar premises. This tariff does not cover the use of music at concerts or as part of events at receptions, conventions, assemblies or fashion shows. Such uses are covered by a separate tariff.

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

Users are bars, cabarets, restaurants, taverns, clubs, dining rooms, discotheques, dance halls, ballrooms and similar premises that play recorded music for their patrons to dance.

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 2023-2025 is determined by reference to the capacity of the premises and the amount of the time the premises is in operation throughout the year. The tariff sets out flat fee rates for premises that have a capacity of 100 people or less. These rates vary with both the number of days the premises operates per week and the number of months the premises operates per year.

These flat rates increase as the capacity of the premises increases, according to a formula. For each 20 persons of increased capacity, the flat fees increase by 10%.

The proposed royalty rates are based on the previously-approved tariff, and they have been increased for inflation according to the Board's established CPI-adjustment formula (including using Statistics Canada's Consumer Price Index monthly series for Canada, all-items, not seasonally adjusted and not adjusted for taxes). SOCAN has estimated the appropriate inflationary increase 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 royalty rates, SOCAN requests that the Board certify the maximum inflationary increase that SOCAN is entitled to using the Board's adjustment formula and current CPI data at the time of certification of the tariff.

4. Submissions on the Collection of Information

The proposed tariff requires users to report the room capacity in number of patrons and pay the applicable royalty by January 31st of the year covered by the tariff.

This information is used to calculate and verify the applicable royalty.

5. Explanation of Changes from Previously Approved Tariff

Proposed Tariff 18 includes the following changes from the previously approved tariff:

- 1) The proposed tariff moves the “General Provisions” section into the text of the tariff itself. When tariffs were proposed in sets, this section preceded the set. Now that tariffs are proposed individually (pursuant to Board practice notice [PN 2019-004 rev. 3]), this language is repeated in each proposed tariff.
- 2) The proposed royalty amounts have been adjusted to account for inflation as explained above.
- 3) The language referring to other tariffs has been revised to remove references to tariff names, following Board practice notice [PN 2019-004 rev. 3].

