

Copyright Board

Notice of Grounds for Proposed Tariff

SOCAN Tariff 3.C – Adult Entertainment Clubs

December 15, 2021

1. Description of Uses Covered by the Proposed Tariff

This tariff applies to public performances of musical works in SOCAN's repertoire by means of recorded music in adult entertainment clubs.

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

Users are clubs, bars, cabarets, etc. that feature adult entertainment which is accompanied by recorded music. It is not useful or appropriate to provide examples of users under the tariff as there are no particular users who are more well-known than others. 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 5.57¢ per day multiplied by the maximum capacity (seating and standing) authorized under the establishment's liquor licence or any other document issued by a competent authority for this type of establishment. This rate is an inflationary increase based on the Board's established inflation adjustment methodology from the previously-approved rate, which has been in place since 2015.

4. Submissions on the Collection of Information

The tariff requires each licensee to report on its authorized capacity and the number of days in the previous year that it operated as an adult entertainment club. This information allows SOCAN to calculate the royalty payable. This tariff is an annual fee tariff, which is paid in advance, based on estimated data; the report made in January of the following year allows SOCAN to verify the fees paid for the previous year and adjust as necessary.

5. Explanation of Changes from Previously-Approved Tariff

The only change from the previously-approved tariff is that the proposed rate for 2023-2025 is an inflationary increase, as described above.