

# Charity shops forced to pay licensing fees

by Thomas Murdock of Tods Murray LLP

Kindly senior citizens in areas such as Morningside and Stockbridge, once exhilarated by the heady sounds of the Brothers Gibb, have had to brace themselves with a nice cup of tea and a sit down. Since 1st January 2011 not-for-profit organisations must pay to play protected sound recordings. So, in charity shops up and down the land the kibosh has been put on a carefree shuffle, except perhaps in the £1 basket or in the privacy of one's own home. Royalty loyalty cometh.

The provisions of the Copyright, Designs and Patents Act 1988 previously allowed not-for-profit organisations to play protected sound recordings without paying a licence fee. This has been scrapped now that the government has implemented long overdue changes required by European legislation. Oddly, the United Kingdom has been the slowest of the all EU countries to implement the changes.

As in many jurisdictions, EU law also dictates that musicians are entitled to royalties when their recordings are played. But, in the United Kingdom, it was long the case that charitable organisations could escape paying any licensing fee to the collection agencies. Some contend the changes are a cynical money-making exercise in response to dwindling music sales. Mr Smallweed would be proud.

For Whom the Bell Tolls. The new system is intended to be fair to both musicians and charities. Indeed most charities will pay the equivalent of one pound a week. Additionally, to help with adjustment under the new rules, charities are to be exempt from the licence until January 2012.

Staying alive. Other terms which have been incorporated into

the new law include a low, annual rate tariff of £40, a fee which even the most humble of charities should survive. This will cover upwards of 60% of the buildings where voluntary groups meet. Licenses for community buildings will also cover outdoor events.

Night fever. To avoid complicated licensing applications and midnight sweats, there is currently a pilot system requiring one simple joint application form to Phonographic Performance Limited (PPL) and the Performing Rights Society (PRS). The theory is to make processing payments easier for smaller organisations to understand and to action. Collections box to collections agency in one simple step.

There are some exceptions under the new law. NHS hospital wards, domestic use in care homes, religious services and music used in medical treatments which take place in NHS hospitals will continue to be outwith the scope of licensing.

There is no hiding from the driving mantra of accumulate to remunerate. But, even if an organisation chooses to forgo a licence, many a charity shop hawk eyeing up their next bargain won't be put off mooching in silence. Similarly those donating their time will be unlikely to mind having to make their own music. But if your devotion to a worthy cause wanes in the silence, many might have to question How Deep is Your Love?

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