

Customer Guide

OneMusic Licence Fee Adjustments for ‘Direct Licensing’

Overview

If you have obtained a ‘direct licence’ to publicly perform certain music in your business (for example, from a music company, publisher, or other rights holder), OneMusic has a process to take that into consideration and reduce your OneMusic licence fees.

This ensures that you are not paying twice for the same use of music.

What is a ‘Direct Licence’?

A ‘direct licence’ is an agreement your business enters into directly with a music rights holder (or a company representing them) that allows you to play certain music in your business, separately from your OneMusic licence.

This means that, when playing the music covered by that ‘direct licence’, you rely on that agreement for the right to publicly perform that music — rather than your OneMusic licence.

Of course, any discount requested by you to account for a ‘direct licence’ must fairly reflect how much of your music use relies on the ‘direct licence’ instead of your OneMusic licence.

When can a discount apply?

You may be eligible for a discount where:

- You hold a valid OneMusic public performance licence; and
- You have also entered into a separate direct licence covering some of the music you play in your business; and
- That direct licence is actually being used in practice (i.e. not just held, but actively relied on for part of your music use).

How does the discount work?

Any discount that OneMusic applies must be:

- **Proportionate** – that is, based on the percentage of your music use that relies on the direct licence; and
- **Evidence-based** – based on information you provide to OneMusic about your music usage.

For example, if you use ‘directly licensed’ music for 20% of your total background music time, your OneMusic licence fee may be reduced to reflect that 20%.

What information do you need to provide?

To assess any discount for 'directly licensed' music, OneMusic requires a declaration from you confirming how your music is used. At a minimum, you will need to provide:

- 'Direct Licence' details
 - the 'direct licensor' (e.g. music company or rights holder)
 - the type of music rights covered (e.g. musical works, sound recordings, or both)
- Activation period
 - when the 'direct licence' started (and ended, if applicable)
- Usage information
 - How often the 'direct licence' is used (e.g. hours per day, days per week)
 - How often all music is played in your business, including any music from the playing of a radio or via televisions/screens in the store (e.g. 10 hours per day, 5 days per week)
 - The percentage of your total music use that relies on the 'direct licence'
- Declaration
 - A confirmation that the information provided is accurate
 - An acknowledgment that the 'direct licence' percentage reflects actual usage of that music in your business

This declaration enables OneMusic to ensure that any discount is fair, and proportionate to your reliance on the 'direct licence'.

Important: What the discount applies to

Your OneMusic licence includes different music rights, so:

- if your 'direct licence' covers musical works only (e.g. from songwriters or music publishers), the discount will apply only to the APRA works portion of your licence fees; and/or
- if your 'direct licence' covers musical works as well as recordings, the discount may also apply to the fees for both APRA works and RMNZ recordings.

Example - Retail clothing store

OneMusic licence

A retail store holds a OneMusic background music licence for the public performance of APRA musical works and RMNZ sound recordings. The store plays music 10 hours per day, 5 days per week (50 hours total).

Direct Licence

- The store then enters into a 'direct licence' with a music company that provides a public performance music licence for a curated or limited playlist.

- The store uses this ‘direct licence’ playlist for 2 full days per week (20 hours).
- The ‘direct licence’ is for the public performance of *musical works* in the store and does not include a licence for the playing of the *recordings* of those works.
- For the remaining 30 hours, the store owners continue to rely on the OneMusic licence for the playing music in other music playlists (or from the radio or television).
- The store declares that 40% of its music use relies on the ‘direct licence’ (20 out of 50 hours).

Discount on OneMusic fees

- OneMusic will apply a 40% reduction to the relevant portion of the licence fees payable for the OneMusic licence.
- As the ‘direct licence’ only covers musical works, the 40% discount applies only to the APRA component of the licence fees.
- So, if the store is otherwise due to pay \$364.65 annually for Background Music and \$350.07 for Digital Delivery under OneMusic’s *Retail & General Music Licence*, and the above example of a ‘direct licence’ is in place for that same year, then the store would be entitled to a discount for the APRA portion of \$142.95 off their total annual fees of \$714.70.¹

Key principles to keep in mind

- Discounts are not automatic – they must be requested.
- Discounts must reflect actual usage, not intended or theoretical use.
- A clear and honest declaration is required.
- OneMusic may request additional information to verify any claim for a discount.
- The aim is a fair outcome for both licensees and all rights holders, whether they are those granting the ‘direct licence’ or OneMusic’s own rights holders.

Need help?

If you are considering a direct licence or would like to request a fee adjustment [Contact OneMusic](#) and provide details of your arrangement. We can then guide you through the declaration process.

¹ If the ‘direct licence’ is only in place for a part of that year, the discount will be reduced proportionate to that ‘direct licensing’ period (e.g. if it is a 6 month ‘direct licence’, the discount will be 50% of the annual discount).