

## Article 12 BACKGROUND MUSIC (BGM)

In case works transmitted in public through cable broadcasting in public are communicated in public as BGM by means of receiving apparatus, or by means of phonogram records legally made, the fee shall be a sum equal to the amount obtained by adding to the amount calculated hereafter, the amount equivalent to the consumption tax.

### 1. The fee for facilities

#### (1) When an annual blanket licensing agreement is concluded

##### (i) For shops etc. in general

Category	Floor space of a shop, etc.	Annual fee
1	Not exceeding 500 sq.m.	¥6,000
2	Not exceeding 1,000 sq.m.	¥10,000
3	Not exceeding 3,000 sq.m.	¥20,000
4	Not exceeding 6,000 sq.m.	¥30,000
5	Not exceeding 9,000 sq.m.	¥40,000
6	Exceeding 9,000 sq.m.	¥50,000

##### (ii) For lodging facilities

Category	Capacity of accommodation	Annual fee
1	Not exceeding 100 persons	¥6,000
2	Not exceeding 200 persons	¥10,000
3	Not exceeding 300 persons	¥20,000
4	Not exceeding 400 persons	¥30,000
5	Not exceeding 500 persons	¥40,000
6	Exceeding 500 persons	¥50,000

#### (2) In the event above (1) does not apply, the fee shall be as follows:

##### (i) Monthly fee

(a) For shops etc. in general

Category	Floor space of a shop, etc.	Fees
1	Not exceeding 500 sq.m.	¥1,200
2	Not exceeding 1,000 sq.m.	¥2,000
3	Not exceeding 3,000 sq.m.	¥4,000
4	Not exceeding 6,000 sq.m.	¥6,000
5	Not exceeding 9,000 sq.m.	¥8,000
6	Exceeding 9,000 sq.m.	¥10,000

(b) For lodging facilities

Category	Capacity of accommodation	Fees
1	Not exceeding 100 persons	¥1,200
2	Not exceeding 200 persons	¥2,000
3	Not exceeding 300 persons	¥4,000
4	Not exceeding 400 persons	¥6,000
5	Not exceeding 500 persons	¥8,000
6	Exceeding 500 persons	¥10,000

(ii) In the event above (i) does not apply, the fee shall be determined on a per-work and per-performance basis as follows.

(a) The fee for use of a work whose playing time does not exceed 5 minutes is shown on the following table:

a. For shops etc. in general

Category	Floor space of a shop, etc.	Fees
1	Not exceeding 500 sq.m.	¥2
2	Not exceeding 1,000 sq.m.	¥3
3	Not exceeding 3,000 sq.m.	¥7
4	Not exceeding 6,000 sq.m.	¥10
5	Not exceeding 9,000 sq.m.	¥13

6	Exceeding 9,000 sq.m.	¥17
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b. For lodging facilities

Category	Capacity of accommodation	Fees
1	Not exceeding 100 persons	¥2
2	Not exceeding 200 persons	¥3
3	Not exceeding 300 persons	¥7
4	Not exceeding 400 persons	¥10
5	Not exceeding 500 persons	¥13
6	Exceeding 500 persons	¥17

(b) The fee for use of a work whose playing time exceeds 5 minutes shall be a sum equal to the amount obtained by adding to the fee for use of a work whose playing time does not exceed 5 minutes, the same fee for each additional 5 minutes or part thereof.

2. The fee in the case that an enterprise who supplies master recordings concludes a blanket licensing agreement

Notwithstanding the provisions of 1 above, in case an enterprise who supplies master recordings of BGM, such as an enterprise engaged in cable broadcasting or manufacture/lending of sound recordings, concludes a blanket licensing agreement on behalf of their customers to whom they supply master recordings, the fee shall be a sum equal to 1% of the business income earned by enterprise who supplies sound recordings during the previous year (not inclusive of the consumption tax).

## **Notes for BGM**

- (i) The business income means income earned by enterprises supplying master recordings, regardless of its name, such as receiving fee, broadcasting fee, etc.
- (ii) “1%” as provided for in this Article shall read “0.6%” in the fiscal year 2002, “0.7%” in the fiscal year 2003, “0.8%” in the fiscal year 2004, and “0.9%” in the fiscal year 2005.

(Note) Each fiscal year is from April to March of the next year.

- (iii) The fee payment is excluded, for the time being, for use of works in welfare institutions, medical facilities or educational institutions and for use of works mainly targeted to only workers in offices, factories, etc. or for slight use of works in short time in street stalls, etc. and for use thereof not falling under Article 38 (1).