



Press Release

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Country of Origin principle for catch-up TV endangers cultural diversity: Europe's film agencies call for a change of approach

The European Film Agency Director's (EFADs) position paper on the so called "Sat Cab Regulation", published today, outlines the EFADs' concerns about the introduction of a Country of Origin principle for broadcasters' ancillary online services such as catch-up TV. Whilst the EFADs share the European Commission's ambitions to support the audiovisual sector's adaptation to new digital technologies, the film agencies fear this Regulation would undermine the principle of territoriality. This could have a devastating impact on the sustainability of the audiovisual sector and cultural diversity in Europe.

The planned extension of the Country of Origin principle has clear risks

There are clear risks that the negotiating positions of producers, sales agents and distributors could be weakened by this Regulation making it difficult for them to resist demands for pan-European catch-up rights for which rights holders are rarely remunerated. Furthermore, the Regulation should not be seen in isolation but considered in the context of DG Competition's investigation into cross-border access to pay-TV content (Case AT.40023). The investigation could set a dangerous precedent and, in combination with this Regulation, could undermine contractual freedom and eliminate territorial exclusive licensing.

Eroding or eliminating territorial exclusivity is likely to weaken competition rather than strengthen it and would have a huge impact on the sustainability of the European audiovisual sector and European citizens' access to Europe's culturally diverse audiovisual works. Peter Dinges, President of the EFADs, explained: "Without territorial licences we would see less investment in European films, fewer co-productions, less competition, and finally less access for the European audiences to a diversity of cultural works. The impact of this Regulation could be devastating for European theatrical works and audiovisual series. Therefore the European Film Agencies call on the European institutions to change this approach."

The value of rights and co-productions would be particularly affected by any erosion or elimination of territorial exclusivity. Co-productions rely on investment from broadcasters before production takes place and they have a tendency to travel more easily and therefore generate more sales in different territories. Reducing co-productions would undermine the circulation of audiovisual works and would have negative economic and cultural consequences.

A change in approach in the Sat Cab proposal and the Cross-Border Pay-TV case is therefore necessary to ensure cultural and linguistic diversity continue to flourish in Europe. This will help ensure that the Commission's actions match their statements in the Digital Single Market Strategy and the objectives of the MEDIA programme.

About the EFADs

The EFADs brings together the Directors of European Film Agencies in 31 countries in Europe (EU, Iceland, Norway and Switzerland). We represent government or government associated public bodies, in charge of national funding for the audiovisual sector and with the responsibility to advise or regulate on all aspects of audiovisual policies. In total, the EFADs members and their governments fund around three billion Euros every year through subsidies and tax reliefs with a view to fostering the creation, production, promotion, distribution, and exhibition of European audiovisual and cinematographic works.