



# Quotas, prominence... and the rest!

**Maja Cappello**

Head of Department for Legal Information  
European Audiovisual Observatory




# **Promoting European cultures in the transformed media environment within Europe and beyond**

***Promoting European cultures***  
in the transformed media environment  
within Europe and beyond

# CULTURES

# CULTURE(S)?

# Mapping of film and audiovisual public funding criteria 6

- **Project launched upon request from** 
- **Inventory of the different funding criteria used by**
  - National/federal funds and
  - Main regional funds
- **Geographical scope: 28 EU member states**
- **Temporal scope: Picture by the end of 2018**

# Culture(s)

## According to the Cinema Communication:

- Member states have “*the primary cultural aim of ensuring that the national and regional cultures and creative potential are expressed in the audiovisual media of film and television*”.
- The European Commission shall verify that there is an “*effective verification mechanism to avoid manifest error*”.

# Definition of cultural criteria

## Two common mechanisms:

- Cultural profile: mandatory eligibility conditions.  
Identified in funds in 18 countries.
- Cultural test: individual non-mandatory evaluation criteria with a minimum number of conditions or score required.  
Identified in funds in 17 countries.

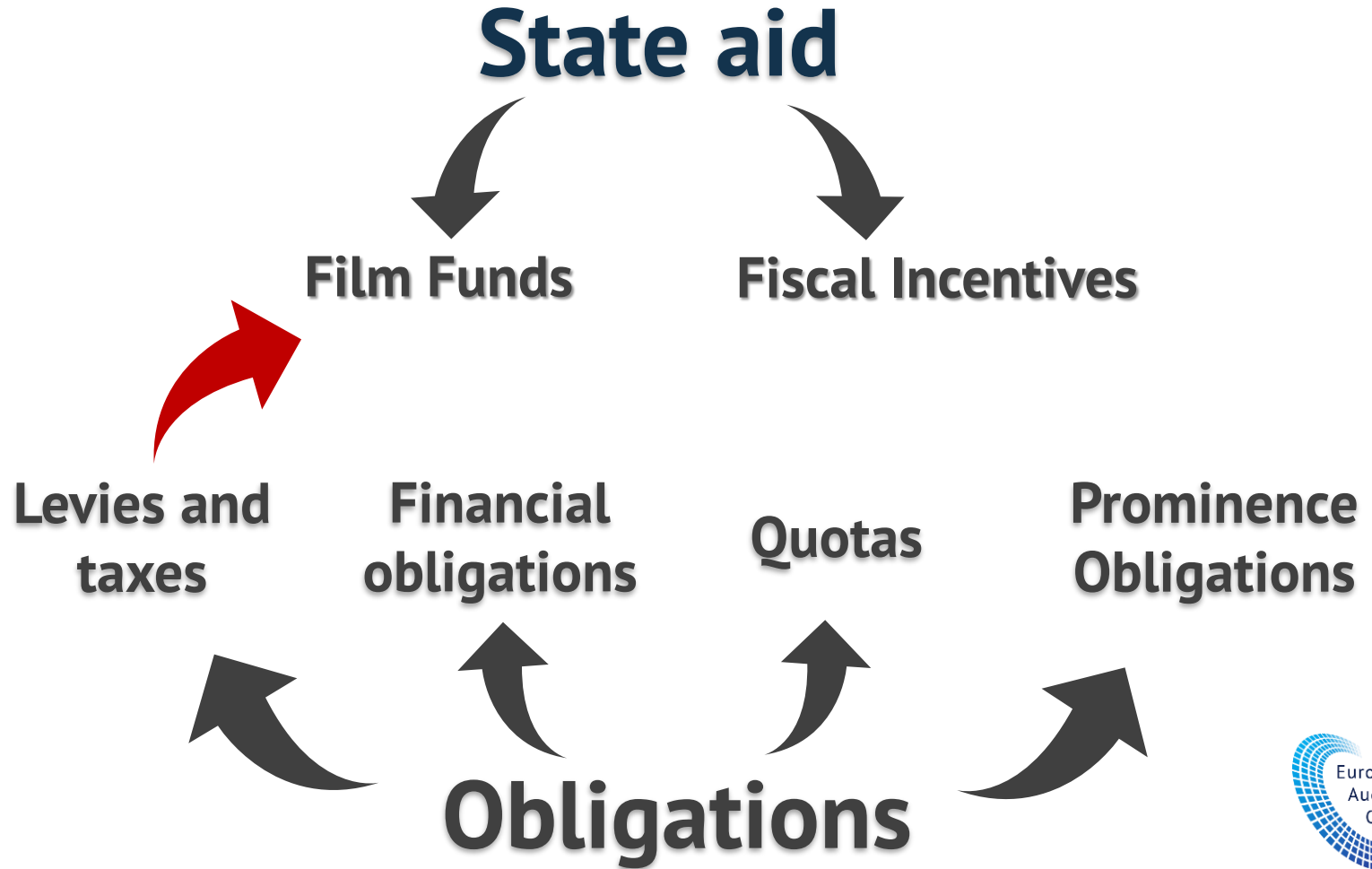


# Definition of cultural criteria

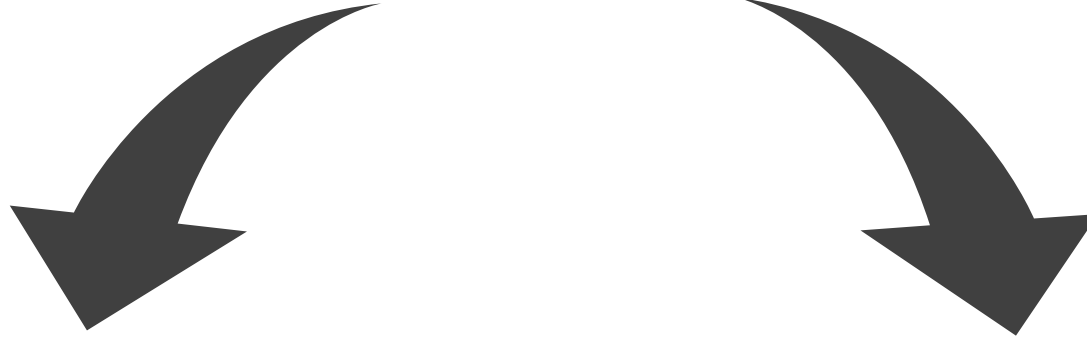
**No concrete definition of culture.** Criteria include:

- Language
- Nationality of work, talent and cast
- Link between the content and the country/region:
  - History
  - Pre-existing works
  - Landscape and architecture
- Share of financing/participation of a local producer

# PROMOTION



# State aid



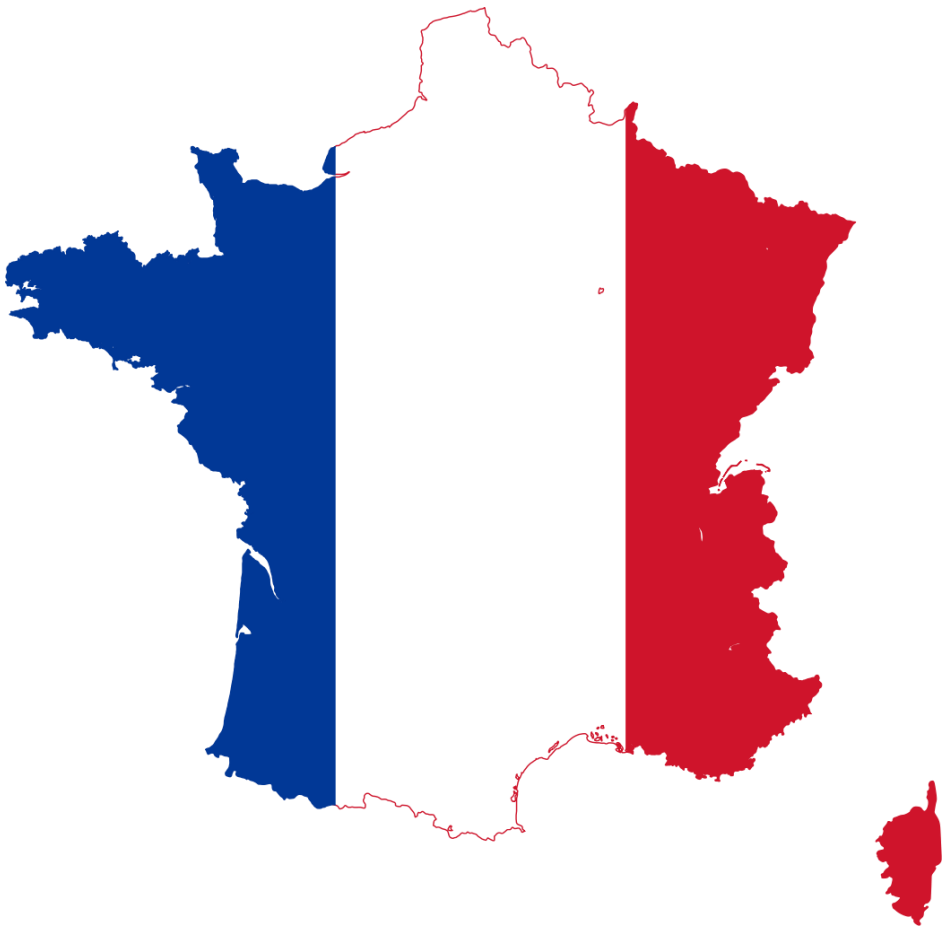
**Film Funds**

**Fiscal Incentives**

# Film funds

According to the Cinema Communication, **aid intensity** should be within the following limits:

- **Pre-production support** → No aid intensity limits
- **Production support** → 50% in general  
60% for EU cross-border co-productions  
Up to 100% for difficult films
- **Distribution support** → Equivalent to aid intensity for production



# Boutonnat report

# Boutonnat report on the private financing of film and audiovisual production and distribution

Funding of French audiovisual production about to be radically transformed:

- structural decline in the average budget of French films;
- ongoing economic difficulties affecting distribution;
- doubts over broadcasters' investment capacity;
- rapid rise in the power of digital platforms.

French system is highly regulated:

- financial aid from the CNC and local authorities;
- contributions from broadcasters for pre-financing of new productions;
- fiscal measures (reduced VAT for cinema tickets and pay-TV subscriptions)

# Boutonnat report on the private financing of film and audiovisual production and distribution

## Proposals concerning private funding

- Revise media chronology (windows);
- Modernise investment obligations;
- Make use of new digital tools such as blockchain;
- Increase CNC's economic powers and redesign aid system;
- Strengthening international action.



# State aid



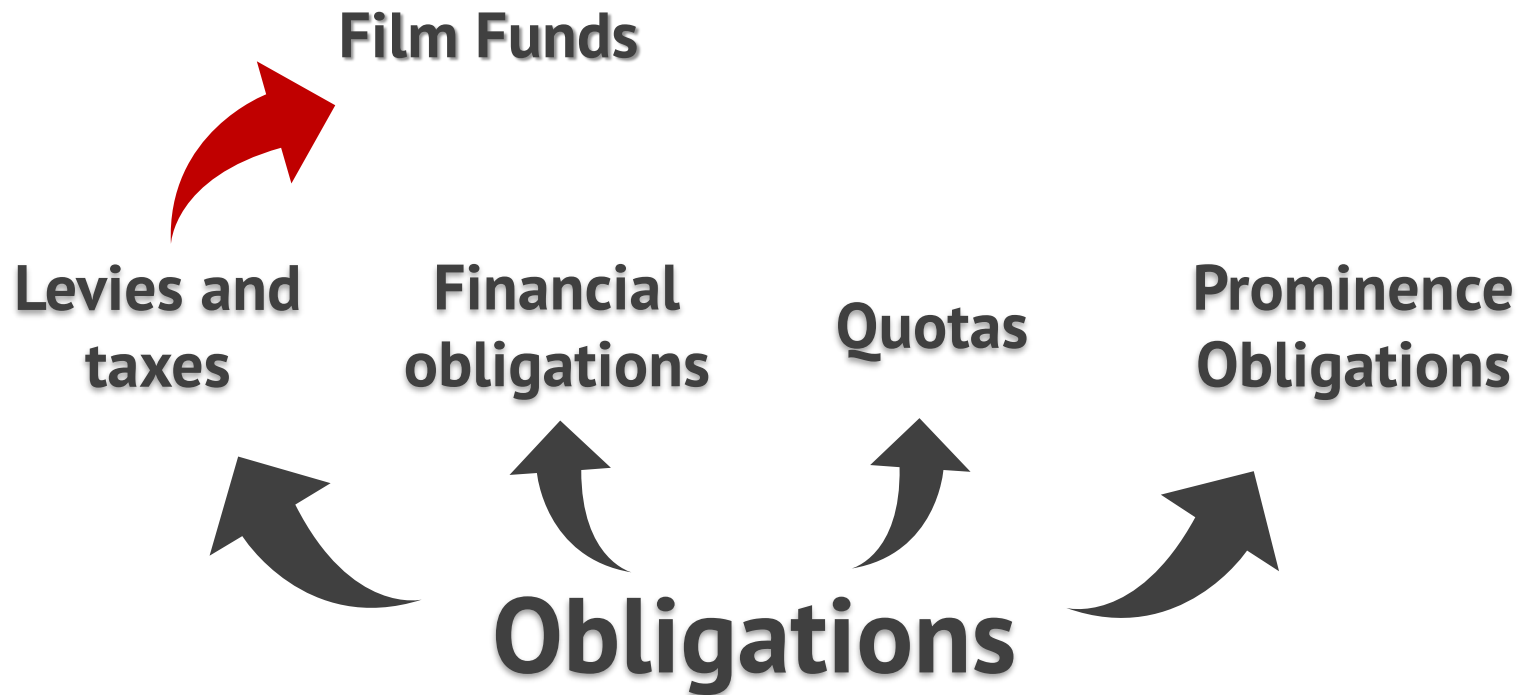
# State aid



Film Funds

Fiscal Incentives

**Not enough!**

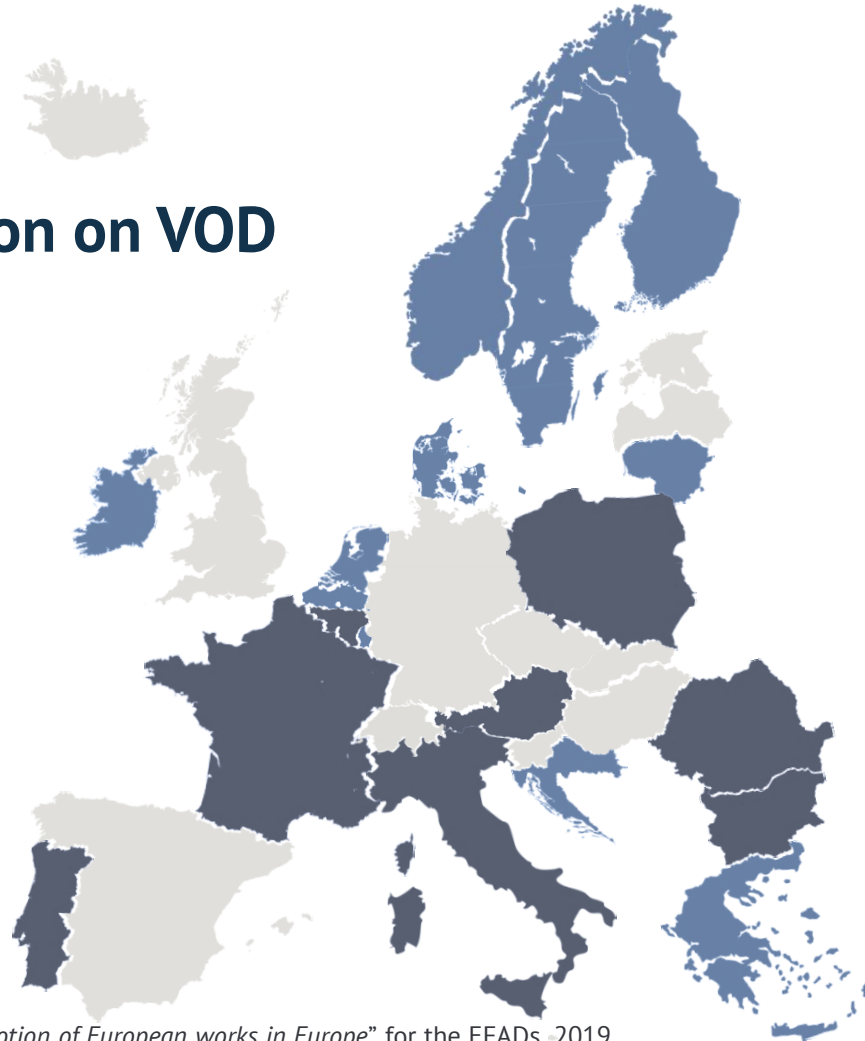


# Mapping of national rules for the promotion of European works 20

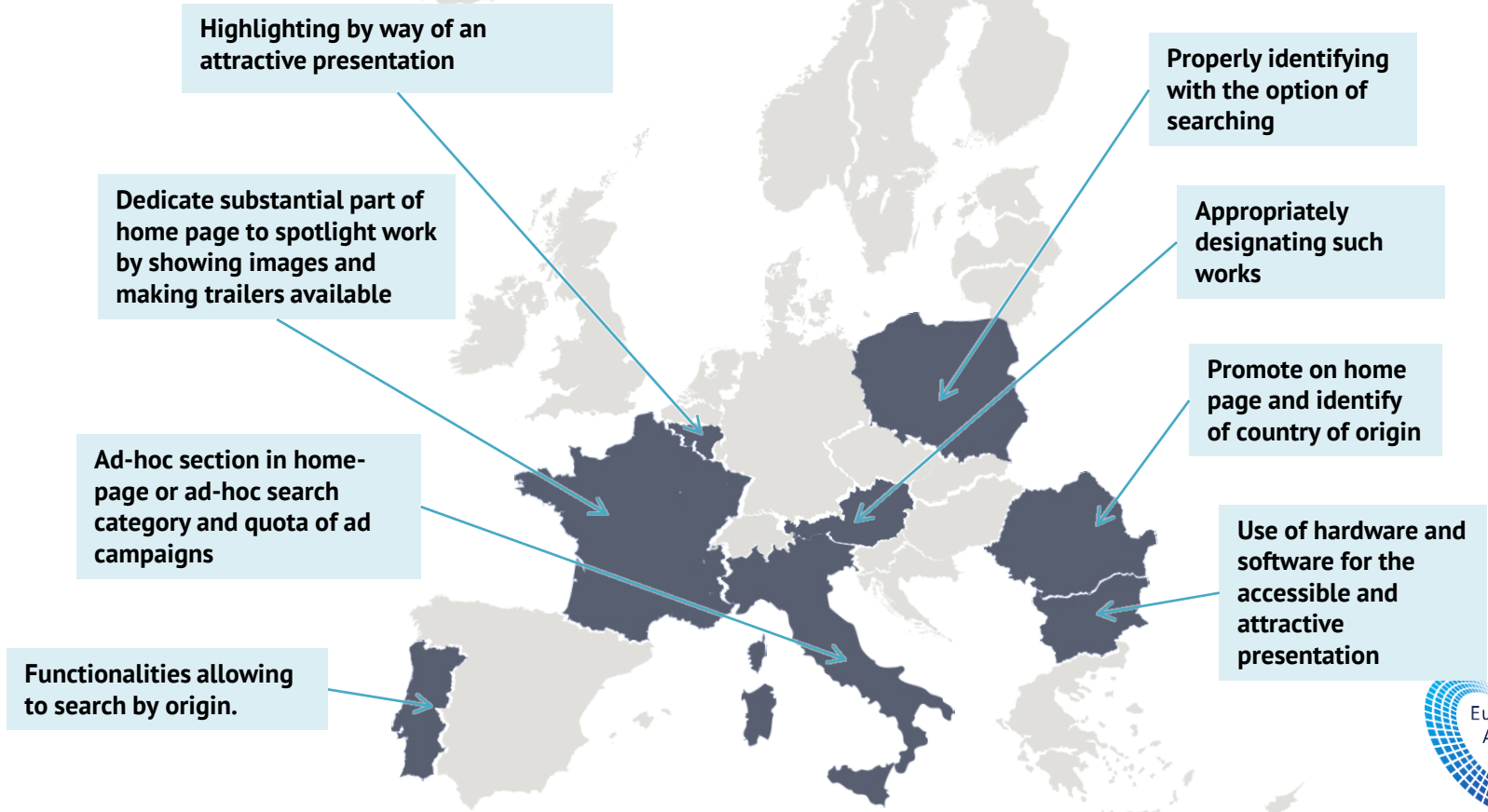
- **Project launched upon request from**  EFADs  
European Film Agency Directors
- **overview of the chosen “regulatory mix”**
  - comparative analysis
  - set of national factsheets
- **Geographical scope: 31 countries (EU-28, IS, NO, CH)**
- **Temporal scope: Picture by the end of 2018**

## Prominence obligation on VOD services

- Specific obligation
- General obligation
- No obligation



# Prominence measures for VOD services



# The revised AVMSD

## AVMSD - Linear services (Art. 16-17)

Obligations of broadcasters remain unchanged from the AVMS Directive of 2010



of transmission time  
to European works



of transmission  
time/programming budget  
to independent European  
works



# AVMSD - VoD services (Art. 13)



**Minimum  
share in  
catalogues**

**Including prominence**



**Financial contribution:**

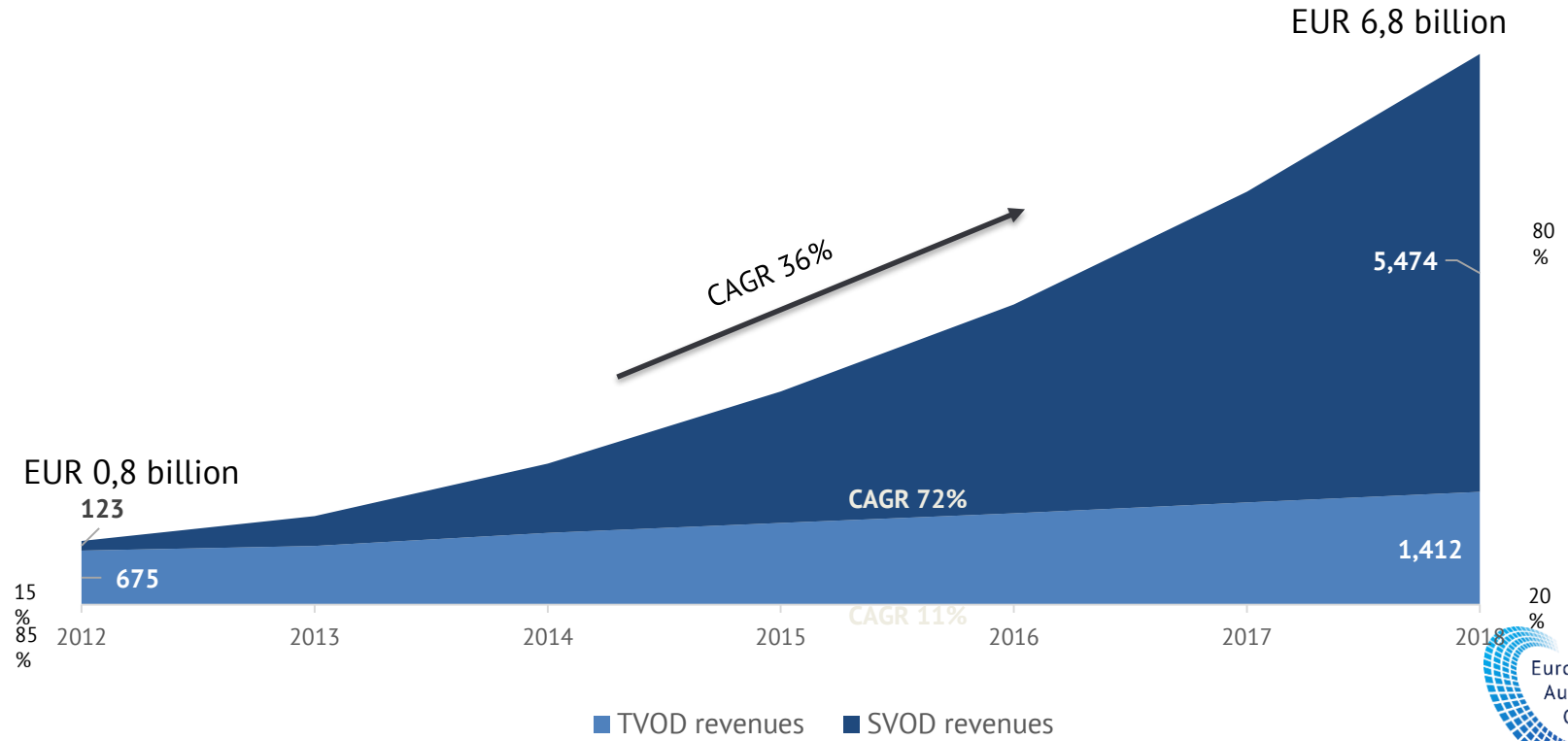
- **Production**
- **Direct investments**
- **National funds**

**Including targeting services**

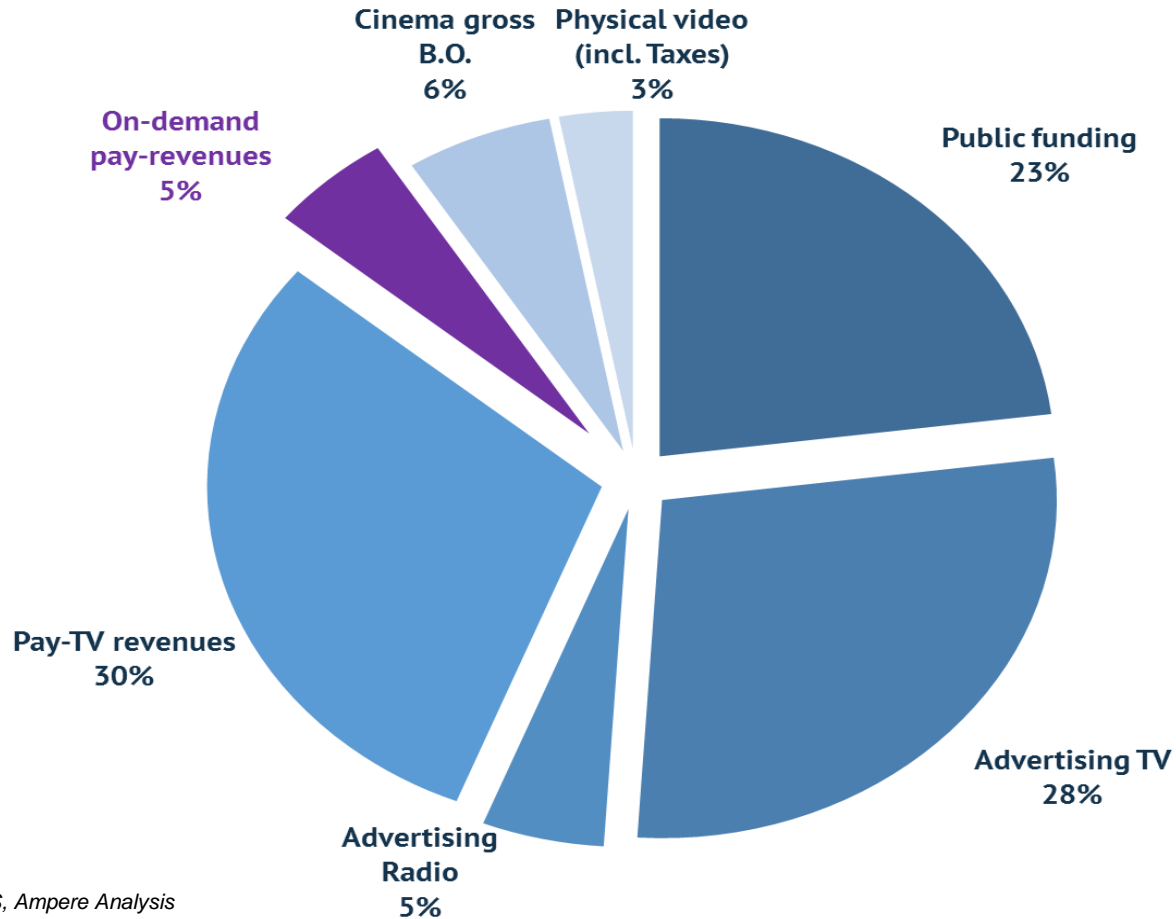
**Exemptions for low turnover / audience**

# EU - Consumer revenues OTT SVOD & TVOD

in EUR million

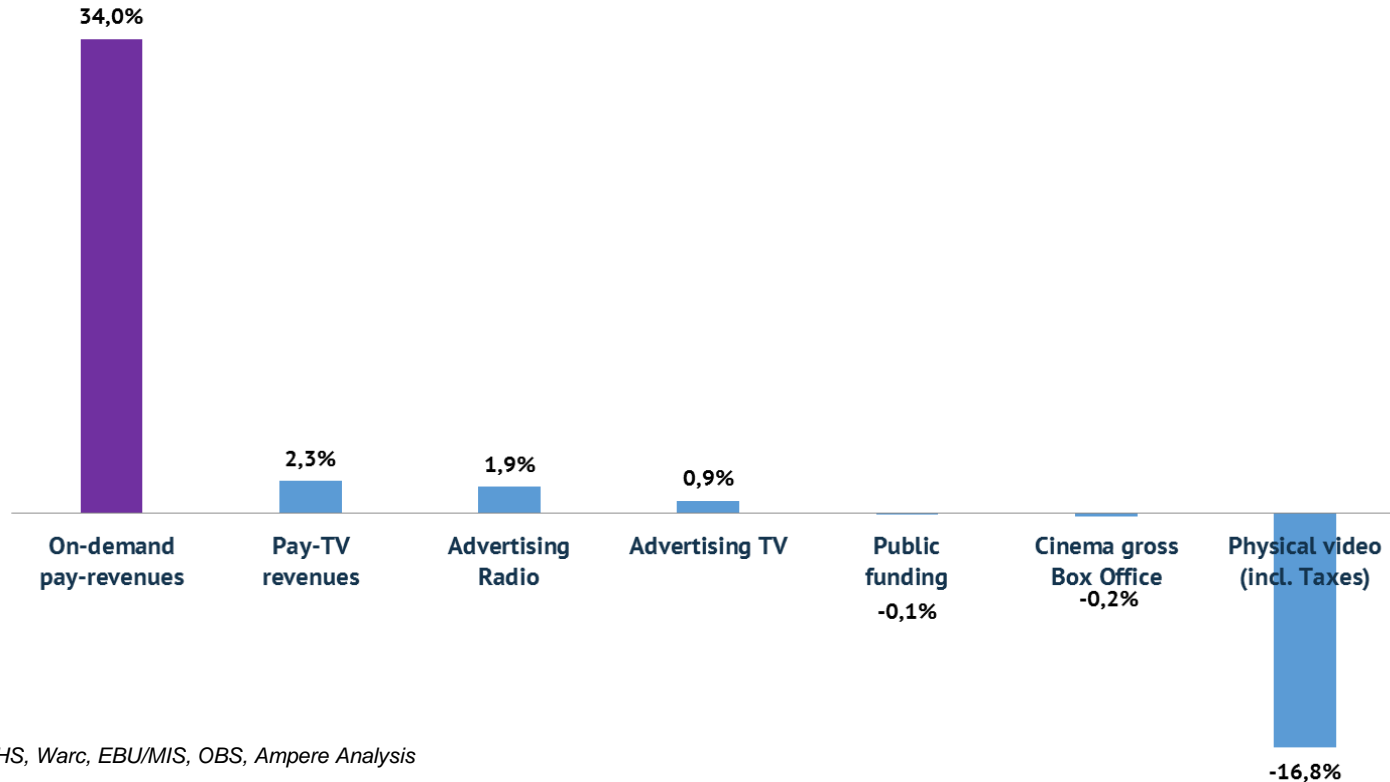


# EU AV market in 2017: EUR 111,5 billion



Source: IHS, Warc, EBU/MIS, OBS, Ampere Analysis

# Year-on-year growth rates by market segment 2016/2017



Source: IHS, Warc, EBU/MIS, OBS, Ampere Analysis



*That's all Folks!*

# Thank You!

*For any queries:*

[maja.cappello@coe.int](mailto:maja.cappello@coe.int)

[www.obs.coe.int](http://www.obs.coe.int)