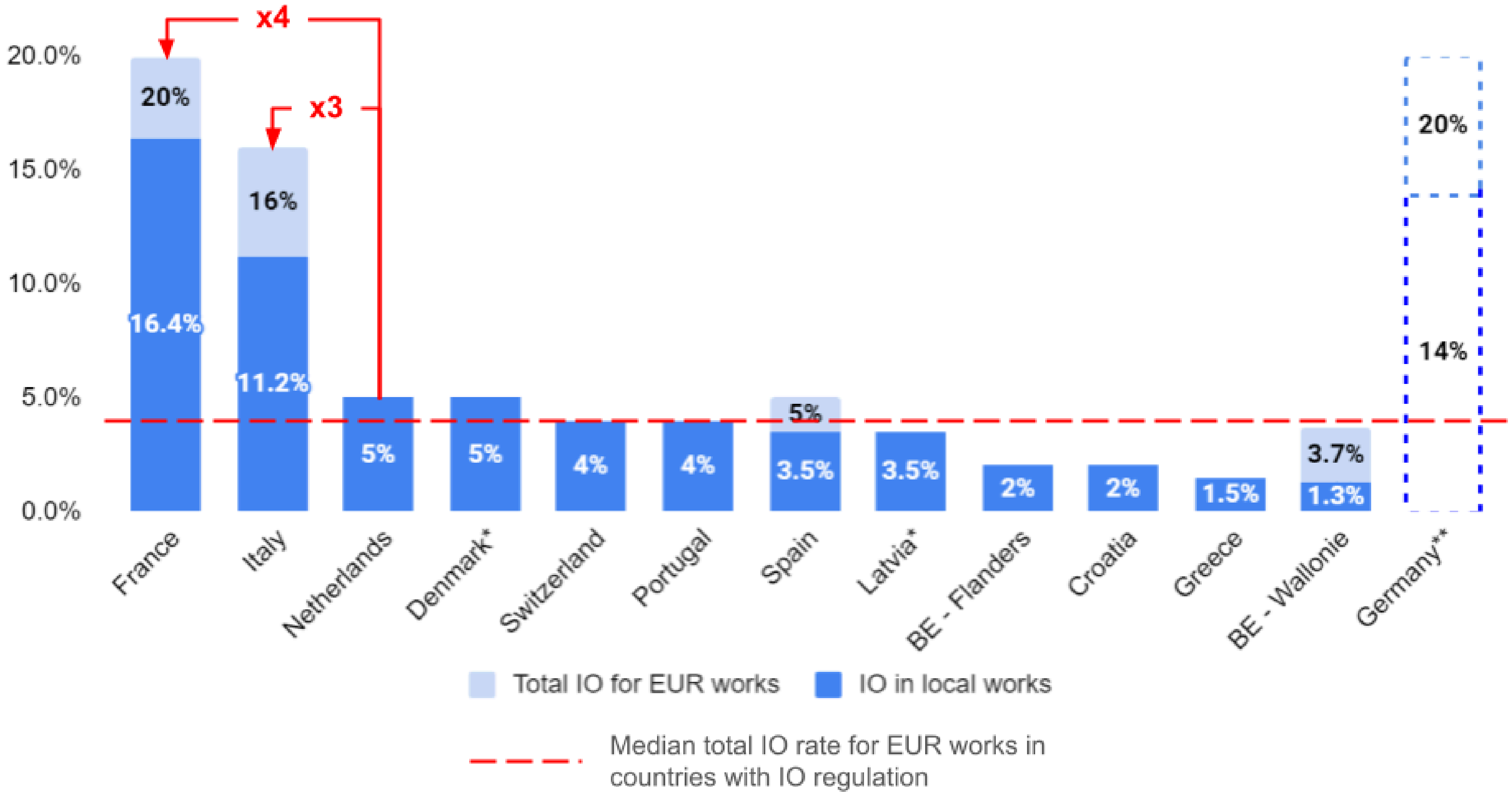
Comparative table of Investment Obligations (IO) for non-domestic SVOD as of May 2024

Total IOs for European works and/or local works in 2024 (as % of local revenues)



* Proposals

** No government proposal yet

Many other EU member states have decided not to introduce or propose an investment obligation or a levy: Austria, Bulgaria, Cyprus, Estonia, Hungary, Lithuania, Luxemburg, Malta, Slovakia, Slovenia, Sweden.

It is worth noting that in the case of **France** and **Italy**, the investment obligation schemes are legacy instruments originally introduced for domestic linear TV, dating back to 1980s and 1990s respectively, that were extended to non-domestic / on-demand providers.

	Total IO for European works in 2024, …	… of which IO for local works[1]
France[2]	20%	16.4%[3] for French language works (exact subquota depending on individual agreements)
Italy[4]	16%	11.2% for recent Italian original expression works (70% subquota)
Netherlands	5%	5% (all local)
Denmark	Up to 5% (tbc)	Up to 5%[5] (all local) (tbc)
Switzerland	(4%) - all local	4%
Portugal	(up to 4%) - all local	up to 4%[6] (all local)
Spain	5%	3.5 % for works in one of the official/co-official languages of Spain (70% subquota)
Latvia	3.5% (tbc)	3.5% (all local) (tbc)
Belgium (FWB)	Up to 3.66%[7]	Up to 1.28% (35% local subquota)
Belgium (Flanders)[8]	(2%) - all local	2% (all local)
Croatia	(2%) - all local	2% (all local)
Greece	(1.5%) - all local	1.5% (all local)
No IOs	Some of the European Member States introduced or are looking to introduce levies (e.g. Germany, Poland, Romania), but **no IO.** And a very significant number of EU / EAA countries have **made no use of Art. 13 (2) AVMS** at all: Sweden, Slovakia, Bulgaria, Slovenia, Lithuania, Estonia, Hungary, Austria, Luxembourg, Cyprus, Malta, Norway	
Under discussion	Czechia, Finland, Iceland, Ireland[9]	

[1] In line with the AVMSD in addition to obligations for national works France, Italy and Spain have obligations for the production of European Works.

[2] IO is a legacy instrument where non-domestic media services were brought into it, after it has been in place for decades for domestic media services. The European Commission published critical observations on proportionality.

[3] Rate applicable to Netflix as of 2023. Please note that this may be different for other non-domestic SVOD players depending on whether they have signed a convention with the regulator or have a deal in place with audiovisual producer unions, as provided under the AVMS Decree. AVMS Decree sets the overall IO rate at 20 or 25% rate for investments in European works.

[4] The system was recently revised and the obligation was lowered from 20% to 16% for VOD providers - the new rates are applicable as of May 2024.

[5] Proposal currently subject to legislative process, stipulates 2% levy if providers invest at least 5% into Danish works.

[6] 20% of the IO (up to 0.8% obligation) can be fulfilled using promotion of European works.

[7] Following the revision of the system, the current plan has a 3 year ramp up period with evaluation planned 2 years in.

[8] Rates applicable from 2025 will be in the 2-4% bracket.

[9] Media bill stipulates only a mandate to potentially introduce a levy by the regulatory authority if necessary.

Specific notable details of investment obligations

Provisions concerning independent work/producers:

- Majority of the countries link provisions concerning independent producers to being independent from AV providers, both linear and VOD services, and the fact that they should not be producing exclusively for one provider (most common denominator is that it should not derive 90% of revenues in the past 3 years from working with a single provider).
- Some include provisions that independent producers should also be the delegate producers.
- Only few have introduced requirements concerning exclusivity of rights and time limitations (France), requirements concerning majority IP ownership of the producer (Portugal) or their ownership of secondary rights (Croatia).
- It is worth mentioning that in the first two countries those are not applicable to the entirety of the obligation, but only to a limited proportion of it. Italy has recently revised their investment obligation and removed any possibility to introduce contractual restrictions in their investment obligation, citing among other things, the impossibility to reach a consensus across the industry of how such restrictions should look like in the four years since the introduction of the investment obligation for non-domestic providers.

Flexibility of investments modalities:

- Across countries which introduced investment obligations predominantly types of content investment are present such as investments in production, commissioning, co-productions, pre-purchase, licensing, development depending on the country and subject to sub-quotas. Some countries also allow for investment in subtitling or dubbing, making content more accessible, promotion/marketing or restoration for a portion of the investment obligation.
- Some countries (such as Portugal or Croatia) allow for multi year spend - investment obligation can be pooled together across two years. Switzerland even looks at investments over a 4-years-period. Others, as for example Spain or Italy, allow for (a part) of overspend in one year to be counted towards next year's obligation.