Meeting with RTL Group/egta – 17 May 2016

Main topics discussed:

Commercial interests Art 4(2) first indent

- egta represents the advertising sales houses of public and commercial broadcasters. They are calling for a forward-looking revision of the AVMSD, bringing clarification and simplification.

- RTL Group is a media and broadcasting group, present in many MS, with also some production activities and investing in multi-channel networks and platforms.

- According to them, it is important to address a number of advertising provisions in the AVMSD:
  - Advertising minutage: it is important to give flexibility around day parts that matter (i.e., during the day), in order for broadcasters to remain competitive compared to the online world and to be able themselves to move to the digital world;
  - Interruptions: it is necessary for broadcasters to be able to build their scheduling around viewers’ comfort, and not outdated regulation;
  - Cross-promotion: it is for the moment not possible to promote the broadcaster’s other services outside the advertising minutage;
  - Isolated spots: this provision seems outdated;
  - Sponsorship and product placement: those provisions haven’t delivered the expected potential, in particular due to the criteria of “undue prominence” and “shall not directly encourage the purchase of goods or services” which can be interpreted differently by regulators. If product placement is done well, this can even lead to a reduction in advertising spots, thus bringing more satisfaction to viewers while maintaining broadcasters’ editorial responsibility.
  - ERGA could play a greater role in order to have a consistent benchmark of practices across MS. This would increase the degree of certainty for broadcasters.
  - The provisions on fatty foods and alcohol advertising have been working effectively and should not be changed.

- DG CONNECT indicated that the Commission had looked at how to give more flexibility on advertising rules, especially the advertising limitation, sponsorship and product placement. On fatty foods and alcohol advertising, self-regulation plays an important role; it is nevertheless necessary to constantly show results to demonstrate the effectiveness of this approach.

- RTL Group mentioned the necessity for some MS (especially France), to be able to impose a tax on revenues that are generated on their territory to finance European works.

- As regards the AVMSD scope, RTL Group and egta argued that the differentiation between linear and non-linear was not relevant anymore in some areas, for example protection of minors (no need for two different articles). DG CONNECT recognised that the level playing field needs to be improved in some areas. Video-sharing platforms will see a limited extension of the AVMSD scope, in particular for hate speech and protection of minors. The Commission is seeking a balance between the results to be achieved and the flexibility for the industry on the means to achieve these results. The proposed
approach builds on the EU Internet Forum and Better Internet for Kids initiatives. RTL Group very much supported a possible re-launch of the BIK initiative as well as more visibility on the results achieved so far.