

The new EU “Audiovisual Media Services” directive

Directive 2007 65 EC of 11 December 2007

The association of television and radio sales houses, **egta welcomes the new EU directive on Audiovisual Media Services**, directive 2007 65 EC, and its modernised rules on television advertising.

After five years of expectations and two years of intense political debates, the European Union equipped itself with a future-proof and flexible framework that should allow the European audiovisual industry to develop. Advertising and sponsorship represent 90% of private channels’ incomes in Europe and an average 29% for public channels¹. This source of financing is thus crucial for Europe’s free-to-air television model.

At a time of profound changes to the television landscape and enhanced competition between broadcast televisions and new forms of commercial content delivery platforms, streamlined rules on television advertising are needed for broadcasters to maintain their capacity to offer diverse quality programming free of charge to millions of European citizens.

egta welcomes the new EU directive and most particularly the following provisions:

- ↪ **The extension of the current directive to all types of TV-like services** which will allow for a fair competition between all audiovisual media services. The technology-neutral approach, meaning that similar types of audiovisual services shall be treated in a similar way regardless of their delivery platforms (IPTV, mobile TV, etc.), is also welcomed.
- ↪ The creation of **two tiers of regulation**, each applying to a type of audiovisual services; the basic tier of regulation for on-demand services, and a more detailed set of rules for television broadcasts.
- ↪ The upholding of qualitative standards on the content of advertising and the call on Member States to encourage co- and **self-regulatory regimes at national level**. In most EU countries, effective advertising self-regulation already exists and these systems should thus be encouraged.
- ↪ The **status-quo with regards to the hourly limit to advertising**, which at the same time prevents from over-advertising and maintains the limitation at a sustainable level for television broadcasters to operate.
- ↪ The **balanced approach to insertion rules** in which qualitative standards are upheld and quantitative limitations most detrimental to viewing comfort are rationalised, e.g. the deletion of the general 20-minute rule and the establishment of a 30 minute scheduled duration rule for all protected formats.
- ↪ The adjustment to the “separation principle” so that **new advertising formats** can be developed while maintaining the highest level of transparency for viewers.
- ↪ The recognition and **legalization of product placement** that will bring to an end today’s grey areas and provide transparency for viewers by means of clear identification of this commercial practise. Similarly, this form of commercial communication could provide audiovisual media services providers with marginal extra incomes to invest in programming.

¹ Sources: European Audiovisual Observatory.

This new EU directive must now be transposed into the 27 member States of the EU and be implemented by December 19 2009 at the latest. **egta invites all national regulators to look into the implementation of this new EU directive without further delay and in the same constructive spirit that prevailed at EU level.**

As Mrs. Viviane Reding, Commissioner for Information Society and Media, declared in 2005: *“The way forward for Europe on advertising issues is clear: liberalisation of TV advertising, while preserving societal values, clear rules for alternative forms of commercial communications and self-regulation whenever possible.”*

egta, association of television and radio sales houses

egta is the trade association of television and radio advertising sales houses (both independent of a channel or in-house) that **commercialise the advertising space of both private and public TV channels and radio stations** all over Europe.

egta provides **a network for its members** based on relationships with more than 1000 high-level advertising executives. egta fulfils different functions for its members in fields of activities as diversified as regulatory issues, audience measurement, sales methods, interactivity, cross-media, etc.

In 2008, egta gathers more than **one hundred advertising sales houses across 33 European countries**. Together, these sales houses collect over 70% of European television advertising investments and over 50% of radio investments in countries covered by egta radio membership.