

# [IT] Proposal for Competition Rules in the Cinematographic Sector

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*Maja Cappello  
Autorità per le garanzie nelle comunicazioni (AGCOM)*

On 20 October 1999 the Italian Government submitted a proposal to the Camera dei Deputati (Chamber of Deputies of the Italian Parliament) concerning new provisions on the free movement of feature films. The aim of the bill is to define specific competition thresholds with reference to concentrations, as defined by the Competition Act of 10 October 1990 no. 287 ( Norme per la tutela della concorrenza e del mercato. Gazzetta Ufficiale 1990, 240), which create or strengthen a dominant position in the cinematographic sector that underlies the control of the Autorità Garante della Concorrenza e del Mercato (Italian Competition Authority).

According to the bill, a dominant position is deemed to arise where more than 20% of the existing cinema halls on the national territory are owned or controlled by the same person or undertaking. This threshold is reduced to 16% if the person or undertaking concerned, in addition to the management of cinema halls, also deals with the production or with the distribution of films; a further reduction to 12% is provided, if all these three activities are carried out by the same person or undertaking or by controlled subjects.

With particular reference to 12 towns ( città capozona) - Roma, Milano, Torino, Genova, Padova, Bologna, Firenze, Napoli, Bari, Catania, Cagliari, Ancona - the creation or the strengthening of a dominant position is deemed to arise where more than 30% of the existing cinema halls are owned or controlled by the same person or undertaking; if the person or undertaking concerned also deals with the production or the distribution of films the threshold is reduced to 24%; if the three activities of management of cinema halls, production and distribution of films are carried out by the same person or undertaking, a further reduction to 18% of the cinema halls is applicable.

Concentrations shall be in any case notified to the Italian Competition Authority if a person or undertaking owns or controls, even in only one of the mentioned towns, more than 20% of the global turnover of the market of film distribution and more than 10% of the number of cinema halls.

It is not permitted for a single person or undertaking, directly or indirectly, to distribute films which cover more than 25% of the yearly programming days of

each cinema hall. For this purpose the period from 1 July to 31 August is not taken into account.

The bill also introduces economic contributions for subjects operating in the sector of film distribution, and gives the Dipartimento dello Spettacolo del Ministero per i beni e le attività culturali (Entertainment department of the Ministry of Culture) investigative powers and powers of sanction.

