[DE] Video Industry and Federal Film Support Authority Reach Settlement

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A year-long dispute between the Federal Film Support Institute (Filmförderungsanstalt - FFA) on the one hand and the Federal Video Association (Bundesverband Video - BVV) and the Association of German Video and Media Retailers (Interessensverband des Video- und Medienfachhandels in Deutschland - IVD) on the other, concerning the outstanding payment of video levies, has been settled out of court.

The case, brought before the Federal Constitutional Court (Bundesverfassungsgericht) and several Administrative Courts, concerned the obligation of video manufacturers, under § 66a of the Film Support Act (Filmförderungsgesetz - FFG), to pay a levy to the Film Support Institute. Video manufacturers are currently obliged to pay 1.8% of their net annual turnover. The duty covers cassettes longer than 58 minutes. The video manufacturers claimed that the binding provisions of the Film Support Act put them at a disadvantage compared to television broadcasters, who supported the FFA on a purely voluntary basis.

The settlement was reached after the video industry withdrew the complaints it had lodged with the Constitutional and Administrative Courts. This resulted from the revision of the Film Support Act, which included new provisions favourable to the video industry (see report in the Legal Guide to Audiovisual Media in Europe, European Audiovisual Observatory, Strasbourg, 1999, pp.57-58). In future, there will be no tax liability for special interest channels dealing with education, hobbies, training and tourism, nor for those which show music video clips (§ 66a.1 FFG). In addition, video manufacturers will receive 20% subsidies from the FFA (previously 5%) if they focus especially on children's and youth films (§ 67a No.1 FFG).

The settlement also encompassed agreements concerning the amount of levies outstanding and video manufacturers' entitlement to back-dated subsidies.

The Constitutional Court agreed to the withdrawal of the case, so that the settlement came into effect on 23 December 1999.

Under the settlement, the FFA is expected to receive around DEM 50 million for future film support.

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Vergleich zwischen der Filmförderungsanstalt (FFA) und der Videowirtschaft vom 23. September 1999 sowie Einstellungsbeschluss des Bundesverfassungsgerichts vom 9. Dezember 1999, rechtswirksam 23. Dezember 1999.

Settlement between the Federal Film Support Institute (Filmförderungsanstalt FFA) and the video industry, 23 September 1999, and the decision of the Federal Constitutional Court to halt proceedings, 9 December 1999, which came into effect on 23 December 1999.

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