European Commission: Transparency Directive in Force

IRIS 2000-8:1/3

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On 18 August 2000, Directive 2000/52/EC of 26 July 2000 amending Directive 80/723/EEC on the transparency of financial relations between Member States and public undertakings entered into force. The Directive, based on Article 86.3 of the EC Treaty, aims to promote transparency with regard to the costs and revenues of undertakings entrusted by the Member States with the operation of services in the general economic interest (see also IRIS 2000-2: 3).

Public service broadcasters are particularly affected by the provision that accounts relating to activities carried out in the general economic interest should be kept separately from those relating to other activities (Article 1.2). However, according to Article 4.2 (c), this does not apply if the State aid in any form whatsoever, including any grant, support or compensation received was fixed for an appropriate period following an open, transparent and non-discriminatory procedure.

In view of this exception, particularly in Germany, reference was made to the process of determining the financial needs of broadcasters, which is to serve as the basis for fixing the licence fee. According to the provisions of the Rundfunkstaatsvertrag (Agreement between Federal States on Broadcasting) and the Rundfunkfinanzierungsstaatsvertrag (Agreement between Federal States on the Financing of Broadcasting), this is the responsibility of the independent commission appointed to review the financial requirements of the broadcasting corporations (KEF). The KEF, after considering the application for funding submitted by each broadcaster and having verified their expenditure and income, publishes a report on this matter every two years.

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