[FI] Operating Licence Fees for Commercial Television Companies Cease to Exist

IRIS 2005-9:1/40

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On 19 August 2005, *Laki valtion televisio- ja radiorahastosta annetun lain 5 luvun kumoamisesta* (Act on the repeal of Chapter 5 of the Act on the State Television and Radio Fund) was ratified. This Act entered into force on 1 April 2008.

In short, the centre-point of this legislative change revolves around the obligation of commercial television companies to pay an operating licence fee. This came to and end when terrestrial analogue television transmissions were discontinued in Finland on 1 September 2007. The act repeals the sections in question.

This change in legislation marks the fulfilment of previous decisions linked to the digitisation of terrestrial television operations in Finland. It also marks the end of a system through which part of the income of commercial television was used to benefit the public service sector. This originally took place through the rent of airtime paid to the public service broadcaster by the first commercial television company founded in 1957 and later evolved into a public service fee. This fee was transformed into the operating licence fee as of 1999, through The Act on the State Television and Radio Fund (745/1998).

The Finnish public service broadcaster Yleisradio Oy (YLE) is financed by the State Television and Radio Fund, into which television license fees paid by households are collected. Until September 2007, the operating licence fees paid by the commercial television companies were also collected into this Fund. As of 1 July 2002, the operating licence fee was cut by 50% and digital television operations were exempt from payment. This exemption was originally intended to be valid until 31 August 2010 (see IRIS 2002-7: 10). In 2005, it was decided that the operating licence fee would cease to exist after the switchover to digital transmissions on 1 September 2007.

The background to this change was a political consensus (on the basis of suggestions from two Parliamentary working groups in 2001 and 2004) with the aim of promoting Digital Terrestrial Television. The idea was that the commercial companies, because of the drop in the operating licence fees, would be able to invest more in digital services. However, YLE needed compensation for the drop in the operating licence fees. This was provided by an increase in television license fees amounting to 13% in 2004 (this also compensated for the increase in costs, since the previous increase in television license fees had taken place several

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years earlier) and in annual television license fees as of 2005.

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Act No. 636/2005 of 19 August 2005

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