

[HU] State intervention in the market for commercial television

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On 12 September 2014, the Hungarian Parliament adopted an act that makes it impossible for the two national commercial television channels (RTL Klub and TV2) to request cable companies to pay a retransmission fee. As a result of this new piece of legislation, the two broadcasters have to proceed with an in-depth restructuring of their business models.

The two national commercial broadcasters have long been planning to collect retransmission fees from the cable companies as of 1 January 2015. Thus far, RTL Klub and TV2 (unlike the other channels) have been available for free, since before the digital switchover they were broadcast to all households as analogue terrestrial channels. According to the media act, national providers of analogue terrestrial audiovisual media services may not request a retransmission fee for the two channels until the deadline for the digital switchover (31 December 2014 according to Article 207 of the Act CLXXXV on Media Services and Mass Media of 2010).

The digital switchover was concluded before October 2013. Since free analogue terrestrial broadcasting no longer exists, RTL Klub and TV2 could in theory continue to operate under the same conditions as other TV channels and would thus be entitled to require from the cable operators to pay retransmission fees for their content. Nevertheless, the situation was legally not clear.

Among media professionals, it was taken for granted that the two commercial channels intended to demand retransmission fees for their broadcasts starting in 2015. However, the government decided to intervene in the national market for commercial television. Therefore, the Parliament adopted a legal amendment, which stipulates that RTL Klub and TV2 must continue to make their broadcasts available to the distribution companies for free, until the government works out a pricing formula, which could be the basis for the transition of the commercial channels to become fee-based providers.

2014. évi XXXIX. törvény - Egyes törvényeknek a költségvetési tervezéssel, valamint a pénzügyi és a közüzemi szolgáltatások hatékonyabb nyújtásával összefüggő módosításáról

<http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK14133.pdf>

Act XXXIX of 12 September 2014

