

## [FR] Better framework for economic regulation of 'unlimited cinema cards'

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An Order adopted on 4 May 2017 has simplified a number of the provisions contained in the Code for Cinema and Animated Image (CCIA), which had not been amended since 2009, and introduced a number of broader reforms. The Freedom of Creation Act of 7 July 2016 authorised the French Government to adopt measures amending the Code without requiring legislation approved by Parliament.

The first aim of the text is to simplify the scheme that provides a framework for the activity of cinema theatre operators. A cinema theatre that makes changes will only need to apply for new approval if the changes are substantial. There is also a new possibility for a waiver of the technical specifications required for approval. The current arrangement for travelling cinema screenings in favour of itinerant operators will continue.

The Order also reforms the arrangement for the economic regulation of cinema access schemes entitling a cinemagoer to multiple entries ('unlimited cards'), the number of which is not defined in advance. As a result, the financial guarantee obtained by some operators associated with a cinema access scheme will henceforth be the same as the reference price per seat. This has to be determined in order to serve as the basis for both the remuneration received by distributors and rightsholders and the tax levied on cinema tickets. The CCIA does in fact define the operation of cinema access schemes entitling cinemagoers to multiple entries, the number of which is not defined in advance. These schemes give cinemagoers the benefit of unlimited access to the cinemas owned by the issuing operators and their associates, in return for a subscription fee. The basic principle of the arrangement providing a framework for these schemes is that the mechanisms adopted to regulate the schemes should be as similar as possible to those for traditional ticketing. The principle applies to 'card tickets' used at the cinema theatre where the card was issued and at those of associated operators, whether or not the operator is covered by the guarantee arrangement. That is why a reference price per seat must be determined, in order to serve as the basis for the remuneration paid to distributors and rightsholders, both for issuer operators and for guaranteed operators. Similarly, this reference price will also serve as the basis for the tax on cinema tickets. The Act thus makes the reference price in general - which replaces the sale price of a traditional ticket - the basis of

the entire arrangement. In this way it is possible to ensure identical treatment with regard to the various taxes and to the sharing of revenue with distributors between a 'card ticket' and a conventional ticket, as they will have the same value.

Lastly, the Order substantially amends Book IV of the CCIA, reforming the arrangements for checking compliance with the obligations imposed by the Code, and laying down the administrative sanctions that may be imposed in the event of failure to comply. The reform makes it possible not only to set up a simpler, more effective scheme of sanctions, but also to improve the system for investigation, while preserving the guarantees of independence and impartiality of the parties involved in the procedure.

***Ordonnance n° 2017-762 du 4 mai 2017 modifiant la partie législative du code du cinéma et de l'image animée***

<https://www.legifrance.gouv.fr/eli/ordonnance/2017/5/4/MCCK1706891R/jo/texte>

*Order No. 2017-762 of 4 May 2017 amending the legislative part of the Code for the Cinema and Animated Image (CCIA)*

