

Act on Amendment of Media Services Act and Administrative Cooperation Act

§ 1. Amendment of Media Services Act

The following amendments shall be made to the Media Services Act:

1) the first sentence of subsection 4 of § 2 shall be supplemented, after the text “this Act”, with the text “, with the exception of §§ 24¹–24³, 24⁵ and 24⁶,”;

2) § 2 is supplemented with subsection 4¹ worded as follows:

“(4¹) The provisions of §§ 24¹, 24³, 24⁴, 24⁶ and 24⁷ of this Act shall also apply to providers of on-demand audiovisual media services within the jurisdiction of a Member State of the European Union whose services are targeted at users located in Estonia.”;

3) in subsection 5 of § 2, the text “and 22–24” shall be replaced by the text “, 22–24⁴, 24⁶ and 24⁷”;

4) subsection 3 of § 7 is supplemented with a second sentence worded as follows:

“A programme included in the programme catalogue is an audiovisual work, such as a film, a series or a television programme.”;

5) § 24 is repealed;

6) chapter 2¹ shall be added to the Act, worded as follows:

“Chapter 2¹

Promotion of production and accessibility of European works and supporting of Estonian cinematographic production by audiovisual on-demand media service provider

§ 24¹. Application of chapter

This chapter shall not apply to an audiovisual on-demand media service provider who meets at least one of the following conditions:

1) the audiovisual on-demand media service provider has on average fewer than ten employees per financial year and the annual balance sheet total or annual turnover does not exceed two million euros, taking into account the definition of a micro-enterprise in Commission Recommendation 2003/361/EC concerning the definition of micro, small and medium-sized enterprises (OJ L 124, 20.05.2003, pp. 36–41);

2) the average number of users of the on-demand audiovisual media services per year remains lower than one percent of all users of the on-demand audiovisual media services of the country of destination of the service;

3) the on-demand audiovisual media service provider offers a thematic programme catalogue with regard to which the application of this Chapter would be clearly unreasonable.

§ 24². Promotion of production and accessibility of European works by audiovisual on-demand media service provider

(1) An on-demand audiovisual media service provider shall ensure that at least 30% of the programmes in its programme catalogue are European works and highlight them, including those produced during last five years, together with their country of origin and year of completion.

(2) An on-demand audiovisual media service provider shall highlight the works that are in compliance with the features of own production in the programme catalogue together with their year of completion.

(3) If an on-demand audiovisual media service provider offers different programme catalogues in the Member States of the European Union, the requirement provided for in subsection 1 of this section must be met for all such programme catalogues.

(4) An on-demand audiovisual media service provider shall submit to the Consumer Protection and Technical Regulatory Authority, by 15 February each year, information concerning compliance with the requirements provided for in subsections 1–3 of this section in the calendar year preceding the submission of information.

§ 24³. Investment obligation

(1) An on-demand audiovisual media service provider is obliged to invest at least five percent of the revenue earned per calendar year from the provision of on-demand audiovisual media services to users located in Estonia in the production of Estonian audiovisual works or in the acquisition of broadcasting rights (hereinafter the *investment obligation*).

(2) The revenue referred to in subsection 1 of this section shall include revenue earned from the broadcasting of audiovisual commercial communications. The revenue shall not include revenue earned from the provision of television services and from the intermediation of services provided by other on-demand audiovisual media service providers.

(3) The minister in charge of the policy sector shall establish by a regulation the detailed conditions for calculating the revenue referred to in subsection 1 of this section.

(4) An Estonian audiovisual work for the purposes of this Chapter is a feature film, documentary, animated film or series which relates to Estonian history, culture or living environment and which

meets at least two of the following conditions:

- 1) at least 60 percent of the original language of the work is Estonian;
- 2) an Estonian creative team has a significant role in the completion of the work;
- 3) more than half of the work has been filmed or created in Estonia;
- 4) the production company is a legal person registered in Estonia whose main area of activity is cinematographic production.

(5) The Estonian audiovisual work by whose acquisition of broadcasting rights the investment obligation is complied with must have been completed no more than five calendar years prior to the year in which the investment obligation arose.

(6) The conditions and procedure for calculating the proportion of an Estonian creative team in the production of an Estonian audiovisual work shall be established by the minister in charge of the policy sector by a regulation.

(7) If on-demand audiovisual media service provider fails to comply with the investment obligation provided in subsection 1 of this section, it shall make a financial contribution corresponding to the part in which it failed to comply with the investment obligation (hereinafter *financial contribution*).

§ 24⁴. Compliance with investment obligation

(1) Upon ensuring compliance with the investment obligation, an on-demand audiovisual media service provider may allocate the investment in the production of new Estonian audiovisual works over a period of up to three years, provided that the average annual amount of the investments planned during that period exceeds the obligation incurred. In order to allocate the investment, the on-demand audiovisual media service provider shall submit a notice indicating the investment schedule by year and provide an annual report on the implementation of the plan.

(2) If the production of the work referred to in subsection 1 of this section does not commence by the third year following the submission of the notice, the on-demand audiovisual media service provider shall, in order to comply with the investment obligation for the two calendar years following the submission of the notice, make the financial contribution provided for in subsection 6 of § 24³ of this Act.

(3) The specific conditions for the allocation of the investment shall be established by the minister in charge of the policy sector by a regulation.

§ 24⁵. Administrative contract

(1) The Ministry of Culture may, for the purposes of conducting procedures relating to the calculation of compliance with the investment obligation, verifying the implementation of the investment plan, as well as for calculating the amount of the financial contribution, notifying the on-demand audiovisual media service provider of the amount of the financial contribution and collecting the financial contribution, enter into an administrative contract with a state foundation (hereinafter the *foundation*) whereas entry into is not subject to §§ 6 and 14 of the Administrative Cooperation Act.

(2) The duties referred to in subsection 1 of this section may be delegated in whole or in part by means of an administrative contract.

(3) Administrative supervision of the performance of the administrative contract entered into with the foundation pursuant to subsection 1 of this section shall be exercised by the Ministry of Culture.

(4) If the administrative contract referred to in subsection 1 of this section is terminated unilaterally or there is any other reason preventing the foundation from continuing to perform the administrative duties provided in the contract, the Ministry of Culture shall organise the continued performance of the administrative duties.

§ 24⁶. Reporting

(1) An on-demand audiovisual media service provider shall submit to the Ministry of Culture, or in the instance referred to in subsection 1 of § 24⁵ of this Act, to the foundation, by 31 March of each year at the latest, a report audited by an independent auditor setting out the revenue for the preceding calendar year, which forms the basis for calculating the investment obligation referred to in subsection 1 of § 24³ of this Act, and the investments made in the production of Estonian audiovisual works and the acquisition of broadcasting rights during the preceding calendar year (hereinafter the *report*). The provisions of the Taxation Act relating to tax returns shall apply to the report, subject to the specifications provided for in this Act.

(2) In the instance provided for in subsection 1 of § 24⁴ of this Act, an on-demand audiovisual media service provider shall attach to the report referred to in subsection 1 of this section a notice on the allocation of the investment obligation and an overview of the implementation of the investment plan.

(3) The list of data to be included in the report, the notice on the allocation of investment obligations and the overview of the implementation of the investment plan, as well as the detailed procedure for submitting the report, notice and overview shall be established by the minister in charge of the policy sector by a regulation.

§ 24⁷. Collection of financial contribution and use of funds received

(1) The amount of the financial contribution shall be calculated by the Ministry of Culture or by the foundation in the instance provided for in subsection 1 of § 24⁵ of this Act on the basis of the data provided in the report referred to in subsection 1 of § 24⁶ of this Act (hereinafter the *collector of the financial contribution*).

(2) The collector of the financial contribution shall notify the on-demand audiovisual media service provider of the amount payable as the financial contribution, the payment term, and the current account into which the financial contribution shall be paid. The financial contribution must be made within 30 days at the latest of the issue of the notice. A notice of a financial contribution due for payment constitutes an administrative act for the performance of a monetary obligation stemming from public law within the meaning of clause 21 of subsection 1 of § 2 of the Code of Enforcement Procedure.

(3) The amount payable as a financial contribution shall be paid into the current account of the Ministry of Culture by the term provided in the notice referred to in subsection 2 of this section.

(4) If the on-demand audiovisual media service provider fails to make the financial contribution by the term provided in subsection 1 of this section, it shall be obliged to pay default interest at the rate of 0.06% of the outstanding amount per day. Default interest shall accrue from the day following the payment term and end on the day the payment is made.

(5) The collector of the financial contribution shall submit a claim with regard to default interest to the on-demand audiovisual media service provider, indicating the number of days in arrears, the default interest rate, the amount of default interest due, and the payment term. A claim for default interest constitutes an administrative act for the performance of a monetary obligation stemming from public law within the meaning of clause 21 of subsection 1 of § 2 of the Code of Enforcement Procedure.

(6) The funds received through the collection of financial contributions shall be used to support Estonian cinematography.”;

7) in subsection 1 of § 54, the text “15 and 19²” shall be replaced by the text “15, 19² and 24^{1–24⁷”;}

8) § 56² shall be added to the Act, worded as follows:

“§ 56². Specifications of state supervision

The Ministry of Culture is entitled to issue a precept to an on-demand audiovisual media service provider who fails to submit the report provided for in subsection 1 of § 24⁶ of this Act or fails to comply with the obligation to make the financial contribution provided for in subsection 6 of § 24³ of this Act and to impose a non-compliance levy on the basis of and pursuant to the procedure provided for in the Substitutional Performance and Non-Compliance Levies Act. The upper limit for the non-compliance levy is 15,000 euros. For repeated failure to comply with the precept, the upper limit for the non-compliance levy is 30,000 euros.”;

9) § 65⁵ shall be added to the Act, worded as follows:

“§ 65⁵. Implementation of investment obligation

An on-demand audiovisual media service provider shall submit the report referred to in subsection 1 of § 24⁶ of this Act for the first time in 2028. The report on revenue and investments for 2027 shall cover the period from 1 July to 31 December.”.

§ 2. Amendment of Administrative Cooperation Act

Subsection 1¹ of § 13 of the Administrative Cooperation Act shall be supplemented by clause 33, worded as follows:

“33) an administrative contract as referred to in subsection 1 of § 24⁶ of the Media Services Act.”

§ 4. Entry into force of Act

This Act shall enter into force on 1 July 2027.

President of the Riigikogu

Tallinn, 2026

Initiated by the Government of the Republic in 2026

On behalf of the Government of the Republic
(*digitally signed*)

Adviser to the Government of the Republic