



Brussels, 22 May 2026

Dear Sir/Madam,

We are grateful for the opportunity to provide further comments on the Act on the Investment Obligation for Audiovisual On-Demand Services. These comments build on the initial submissions filed by MPA on 30 October and 15 December 2025.

The Motion Picture Association (MPA) serves as the global voice and advocate of the international film, television, and streaming industry. Our members are Amazon Studios LLC, Netflix Studios, LLC, Paramount Pictures Corporation, Sony Pictures Entertainment Inc., Universal City Studios LLC, Walt Disney Studios Motion Pictures, and Warner Bros. Entertainment Inc.

MPA member companies have been an important part of Europe and Finland's cultural ecosystem for years, investing in, contributing towards and amplifying Finnish culture within and beyond the borders of the European Union. MPA member productions in Finland include *Little Siberia* and *Dance Brothers* (Netflix), as well as *Most Wanted: Julius Kivimäki*, *Unelmahäät*, *Latela* (HBO Max) and *Codename: Annika* (SkyShowtime) among others.

MPA would like to make the following comments on the draft:

Under EU law, any new financial obligation must respect the principles of proportionality and non-discrimination. In line with the proportionality principle, measures should be limited to what is strictly necessary to achieve the legitimate objectives of the relevant legislation. When several appropriate options are available, the legislators must, under EU law, choose the option with the least restrictive impact.

Concerning non-discrimination, we note that the focus of the design of the proposed scheme seems to be minimising the impact on domestic providers<sup>1</sup> - as the effects of the scheme are calculated solely on the envisaged contributions from international streaming providers, many of

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<sup>1</sup> As indicated on page 7 of the proposal: *"The various implementation options have implications for domestic on-demand program service providers and their business operations. The objective was to use the collected data to assess and identify possible opportunities for implementing Article 13(2) of the Directive in a way that would benefit the domestic audiovisual sector as much as possible and ensure that the measures would also be reasonable for domestic operators investing in the production of audiovisual content"; as well as page 32: "The most significant economic impacts of the proposal would be felt by those international subscription video-on-demand service providers that target their services at the Finnish Market."*

which are MPA member companies. This is not in line with the principle of non-discrimination under EU law. Moreover, we note that the scheme seems to pursue economic benefits rather than a cultural objective<sup>2</sup>, which is not in line with Article 13(2) AVMSD.

### Unintended Effects of Financial Obligations

- Studies<sup>3</sup> have shown that financial obligations discourage market entry, thus resulting in less production of content than would have taken place without a regulatory intervention. Regulatory intervention to mandate investment in local content would have a chilling effect on the inward investment by non-domestic VOD service providers, negatively impacting the competitiveness of Finland.
- Financial obligations often lead to inflationary effects<sup>4</sup>, as the requirement to contribute to local productions drives up the price of all resources involved in production<sup>5</sup>. Increasing costs would affect all players in the market, including public service media, domestic and international providers.
- Financial obligations also raise questions from a competition perspective. In June 2025, the Swedish Competition Authority established that financial obligations constitute a form of “cross-subsidisation” and that it would be “inappropriate for companies to be forced to co-finance” competitors. The Swedish Authority further warned that an increase in costs for streamers could lead to less overall investment<sup>6</sup>, thus leading to the opposite effect than the one pursued.
- To safeguard editorial and programming independence of media services, it is key that decisions about what type of content should be produced or acquired rest with the media service provider alone. It should be a starting point in any regulatory intervention that it is the provider who is best suited to determine what content to invest in, including in which genres. A “tick the box” approach to investment can also lead to content not being met with a corresponding demand from viewers.

For the reasons set out above, MPA strongly recommends not imposing any financial obligation on VOD service providers.

### The Proposed Bill Disregards Market Dynamics and the AV Industry Reality

#### **Baseline Obligation**

- MPA welcomes the flexibility afforded to media service providers to choose between a levy, a direct investment or any combination thereof. However, a 5% obligation would represent a

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<sup>2</sup> As indicated in page 12 of the proposal: “The objective is to promote the growth, international competitiveness, diversity, and expertise of the domestic audiovisual sector, as well as the availability of Finnish audiovisual works on international subscription video-on-demand services.”

<sup>3</sup> Sout & Colagelo (July 2023). *Cultural Levies and the EU Audiovisual Market*. ICLE. [Link](#).

<sup>4</sup> In France, the average hourly cost of fiction rose by 28.7% in 2023. CNC & Arcom (November 2024). “*Étude relative à la mise en œuvre du décret SMAD*”. [Link](#).

<sup>5</sup> CNC (September 2024). “*La fiction audiovisuelle française – bilan à 360°*”. [Link](#).

<sup>6</sup> Konkurrensverket (2025). *Betänkandet Publiken i fokus – reformer för ett starkare filmland*.

particularly high percentage relative to other European countries. Additionally, we note that the reasons for choosing such a rate do not seem to have been substantiated. We recommend revising the suggested 5% rate downward to minimize the potential negative impact of the measure, including the market's ability to absorb the additional investment. The higher the rate, the more accentuated the unintended consequences of the obligation will be.

- Additionally, we would recommend allowing investments from subsidiaries under the same parent company as the provider subject to the obligation to count towards the fulfilment of the obligation.

### Conditions for Investments

- The conditions for investments described in Section 5 are overly prescriptive:
  - Firstly, the requirement that more than half of the total amount of investment in “*new audiovisual content*” is directed toward the acquisition of rights, production, or co-production of a scripted film, documentary or drama series, entails an additional interference in providers’ editorial freedom. MPA would recommend giving providers full flexibility to choose the types of content which they invest in to fulfil the investment obligation. This greater flexibility would allow for a more organic growth, more alignment with the business models and practices of individual media service providers, which may have legitimate business reasons for engaging in investments in one category over another.
  - Regarding rights acquisition, we would recommend a longer window for eligibility – as works older than two years may also entail equally relevant cultural contributions. The proposed window would also disproportionately favour those services that are earlier in the exploitation window (e.g. free-to-air, premium pay). A longer window would contribute to the greater circulation of Finnish works by allowing investments within the first full exploitation circle. The benefits of a longer window have been recognized by for example Denmark or Norway.
  - Crucially, MPA also submits that the introduction of linguistic sub-criteria (pursuant to sub-section 2 of paragraph 2 in Section 5) and that of a cultural test (sub-section 3) contravene EU law. The European Commission has noted in various TRIS comments that introducing financial obligations in the form of a direct financing or a financial contribution to a film fund that relate solely to national language works are not consistent with the AVMSD, which requires that such contributions be made towards **European works**.<sup>7</sup> In the context of the proposed text, the introduction of a national languages requirement would leave companies not established in Finland at a disadvantage, given the greater efforts they would need to make to meet the criteria<sup>8</sup>. This is therefore a discriminatory requirement contrary to European law. These restrictions would also appear to be against the proportionality principle under Art. 56

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<sup>7</sup> Flagged by the European Commission in its comments on the Norwegian draft law available [here](#), on the Danish draft law submitted in 2022 available [here](#) and on the Danish draft law of 2023 available [here](#).

<sup>8</sup> This reasoning was developed by the European Commission in its TRIS Comments on the Danish Draft Law of 2023. [Link](#).

and 18 TFEU, as the objective of promoting European works can and should be achieved through less restrictive means.

### **Carry-Over Mechanism**

- The carry-over mechanism in paragraph 4, Section 4, allowing providers to carry excess investments into the following financial year would greatly benefit from a longer window. MPA suggests five years as a more realistic representation of content financing cycles and the AV industry reality.
- To further enhance this flexibility, it would be beneficial to allow the base obligation itself to be spread across multiple years, allowing overinvestment to not only be counted forward but also to allow it to make up any potential deficits in the previous years, as is the case in Denmark or Portugal.

### **Certified Accounting Statements**

- The requirement for audited statements of direct investment and revenue is disproportionate, as it has been established that less restrictive measures can achieve the same level of revenue and claimed investments verification. In some European countries, such as Italy, Portugal or Germany, providers are required to submit a signed declaration from a legal representative, paired with proof of payment of the claimed investments. MPA cautions against introducing unnecessary administrative and financial burdens on media service providers. Should such measures be considered necessary, we would suggest that the associated costs be borne by the party requiring them.

### **Timeline**

- We respectfully recommend that the investment obligation enter into force no earlier than January 2028. This timeline would allow the industry sufficient lead time to plan, adapt and transition to the new framework in a structured and sustainable manner. When entering into force, the first year should be used to collect the revenue information and the obligation to invest starts the next year. This would also give certainty over the amount needed to invest to media service providers in scope.

### **Improving the Production Incentive for Domestic Productions As a Way to Grow the Industry**

We commend the Finnish Government for their stable incentive program. Well-functioning incentive schemes can reinforce local know-how and help develop the necessary facilities for investment to flourish.

In our view, the key to strengthening the competitiveness of Finland's audiovisual industry is achieving an optimal balance of attractive incentives for domestic and international production while avoiding burdensome regulatory constraints that may impair inward investment. To make

the framework even stronger, Finland could consider expanding the annual budget and lowering the minimum foreign spending requirement to support more domestic productions.

We would very much welcome the opportunity to meet with you to discuss our submission in more detail.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Emilie Anthonis', with a long, sweeping underline.

Emilie Anthonis  
President & Managing Director  
MPA EMEA