

THE OBLIGATION TO CONTRIBUTE TO AUDIOVISUAL PRODUCTION IN WALLONIA-BRUSSELS FEDERATION HANDBOOK

Audiovisual services of linear and non-linear television

2024

Table of Contents

Fundamentals of the obligation to contribute to audiovisual production in Wallonia-Brussels Federation

1. Background.....	4
2. Amendments to the decree and objectives.....	4

Step One: Defining the contribution amount

1. Contact person.....	5
2. Deadlines.....	5
3. Turnover to be declared	6
4. Calculation of the amount of the contribution.....	8
5. Exemptions from the obligation to contribute to audiovisual production	9

Step Two: Validation of the contribution in the form of payment or financial investments

1. Contact person.....	10
2. Contribution in the form of a payment	10
3. Contribution in the form of investments	11
3.1 Investment obligation in co-production/pre-purchase of audiovisual works.....	11
3.2 The possibility to invest in the commission of programmes	12
3.3 The possibility to invest in screenwriting and audiovisual works development	13
3.4 The possibility to invest in professional training	14
3.5 The possibility to invest in the accessibility of audiovisual works to persons with sensory impairments	14
3.6 The possibility to invest in dubbing or subtitling of audiovisual works.....	14
4. Verification of the independence of the European producer	15
5. The absence of contract for a project	15
6. Non-completion of a project.....	16
7. Possibility of entrusting the obligation to a third-party company	16
8. The « smoothing » principle	17
9. Mandatory economic spin-offs in Wallonia-Brussels Federation.....	19

10. Support Committee	20
11. Possibility of concluding an agreement.....	21
APPENDIX 1: Glossary	22
APPENDIX 2: Legislation.....	25
APPENDIX 3: Excel file « Turnover form 2024 ».....	25
APPENDIX 4: Excel file « Investments summary table »	25
APPENDIX 5: Excel file « Cultural, artistic and technical criteria for audiovisual works »	25
APPENDIX 6: Excel file « Summary list of economic spin-offs »	25

Fundamentals of the obligation to contribute to audiovisual production in Wallonia-Brussels Federation¹

1. Background

Article 6.1.1-1 of the Decree of 4 February 2021 on audiovisual media services and video-sharing platforms states that audiovisual media services, linear (TV broadcasters) and non-linear (on-demand services), established in Wallonia-Brussels Federation (domestic service) or targeting its audience from another Member State of the European Union (cross-border service), must contribute to audiovisual production.

A contributory mechanism in the form of payments to public authorities is not foreseen in article 6.1.1-1. Therefore, the obligation to contribute to audiovisual production should not be treated as a tax. To fulfil their obligation, audiovisual services can choose the form in which they will make their contribution.

In this respect, the contribution is made

- Either in the form of a payment to the *Centre du Cinéma et de l'Audiovisuel* ;
- Or in the form of investments in co-production, pre-purchase of audiovisual works or commission of programmes.

2. Amendments to the decree and objectives

This regime, in place for several years, has recently undergone amendments that came into force on January 1, 2024.

These changes include the possibility of investing in the commission of programmes, the implementation of new rates, the obligation to invest in audiovisual works of French-speaking Belgian initiative and the fact that all investments must involve a European independent producer, etc.

The aim of these amendments is to enhance the support to the audiovisual production field but also to offer a diversity of audiovisual content.

To fulfill its obligation, the audiovisual service of linear or non-linear television hereinafter referred to as the « audiovisual service », must pass through several stages. These are detailed on the following pages.

¹ The name *Wallonia-Brussels Federation* was introduced in 2011 to refer the French Community of Belgium. However, this is only used for common communication. As the Belgian Constitution has not been amended, official legal texts must always include the name *French Community of Belgium*.

Step One : Defining the contribution amount

1. Contact person

The contact point in French-speaking Belgium for the first stage of the procedure is **the Conseil Supérieur de l'Audiovisuel (CSA)**, the independent administrative authority responsible for the regulation of the audiovisual media sector in the Wallonia-Brussels Federation.

The contact person for information on this step is:

Jonas Frojmovics

Email : jonas.frojmovics@csa.be

Phone number : +32 473 46 22 77

Note that the media regulatory authority of the audiovisual service's country of origin is always in copy of all email exchanges related to the information below.

2. Deadlines

This first step includes three important deadlines :

Deadline n°1: by 15 February at the latest

The audiovisual service informs the CSA, by email with acknowledgment of receipt, of the form of contribution it chooses for the current year (n): investments in co-production, pre-purchase, commission of programmes or payment to the Centre du Cinéma et de l'Audiovisuel. It also provides an estimate of its turnover for the previous year (n-1).

For the first year of an audiovisual service activity, the choice of contribution is provided within 30 days of the first day of activity.

Failing to communicate a form of contribution by this date, the audiovisual service's contribution takes automatically the form of a payment to the Centre du Cinéma et de l'Audiovisuel.

Deadline n°2: by 15 September at the latest

The audiovisual service sends to the CSA by email a duly completed form (**cf. Appendix 3 : Excel file « Turnover form 2024 »**) in which it details its turnover for year n-1. It also communicates the balance sheet and annual accounts as well as any additional information and supporting documents to certify the amounts declared.

Following receipt of these documents and if necessary, the CSA will require additional information regarding the declared turnover. The audiovisual service always mentions the level of confidentiality of the information provided.

Deadline 3: by 15 November at the latest

The CSA decides on the eligible turnover of the audiovisual service, on the basis of which it either sets a contribution amount or concludes that there is an exemption for the year. The conclusions of this analysis are sent by email to the audiovisual service and the Centre du Cinéma et de l'Audiovisuel.

Please note : If the above information is not communicated within the deadlines set, the audiovisual service's contribution is automatically established at **3 million euros** and must be paid to the Centre du Cinéma et de l'Audiovisuel. This amount is adjusted annually on the basis of the consumer price index for January 2023.

3. Turnover to be declared

An audiovisual service's turnover is defined as the total revenue generated by the provision of television services. The net turnover is taken into account, which means the amounts invoiced excluding VAT and excluding commissions and override commissions from advertising.

More specifically, this includes :

- revenue generated by commercial communication: sale of advertising space, sponsorship of programmes, teleshopping, product placement, etc. ;
- any remuneration of the audiovisual service by a third party in exchange for the provision of its services: distribution revenues, subscriptions or purchase of programmes, etc.;
- all other revenues generated by the content of the programmes : call TV revenues, etc.

The turnover is calculated per audiovisual service established in French-speaking Belgium or targeting its audience from abroad.

For **audiovisual services established in the Wallonia-Brussels Federation**, turnover is taken into consideration without distinction of markets, minus, where applicable, the turnover coming from a Member State of the European Union that the audiovisual service targets and within which it is subject to a contribution to audiovisual production system.

For cross-border **audiovisual services**, the turnover to be taken into account includes revenues coming specifically from the market of the Wallonia-Brussels Federation², which means revenues from the French-speaking Region and the French-speaking part of the Brussels-Capital Region.

Important details:

- **If the audiovisual service is unable to distinguish the above-mentioned recipes for the French-speaking users located in the Brussels-Capital Region, then the entire Brussels-Capital Region revenues must be communicated.**

In this case, a percentage of 80% **will be applied to the total turnover**. It is the share of the turnover in the Brussels-Capital Region, added to the turnover in the French-speaking Region, that will be used to calculate the audiovisual service's level of contribution.

- **If the audiovisual service is unable to distinguish the above-mentioned recipes for the entire territory of the Wallonia-Brussels Federation (French-speaking Region and Brussels-Capital Region), then the whole revenues for Belgium must be communicated.**

In this case, an estimated percentage based on the share of the Belgian population in the territory concerned will be applied to the total turnover (the percentage may vary according to the evolution of the population). **This percentage amounts to 39.5%**. It is this share of the total Belgian turnover that will be used to calculate the audiovisual service's level of contribution.

² From a territorial point of view, the Wallonia-Brussels Federation's territory aims at :

- The French-speaking Region (Wallonia, except for the municipalities of the German-speaking Region), and;
- The Brussels-Capital Region (only the French-speaking part in Brussels).

The German-speaking Region includes the municipalities of: Eupen, Eynatten, Hauset, Hergenrath, Kettenis, La Calamine, Lontzen, Neu-Moresnet, Raeren, Walhorn, Ambleve, Bullange, Butgenbach, Crombach, Elsenborn, Heppenbach, Lommersweiler, Manderfeld, Meyerode, Recht, Reuland, Rocherath, St. Vith, Schönberg and Thommen.

4. Calculation of the amount of the contribution

Determining the audiovisual service's contribution level consists of multiplying the eligible turnover by the rate applied in the Wallonia-Brussels Federation for the year of obligation.

From 2024 onwards, new rates will be applied. These will be increased annually and gradually until 2027 where the rates will be stabilized. The aim is to enable audiovisual services to adapt and the audiovisual production field in French-speaking Belgium to slowly absorb the investments resulting from the system.

The following table illustrates the contribution rates implemented until 2027 according to the level of eligible turnover³.

CA min	CA max	2024	2025	2026	2027
	<700.000 €	0,00%	0,00%	0,00%	0,00%
700.000 €	10.000.000 €	1,52%	1,68%	1,84%	2,00%
10.000.000 €	20.000.000 €	1,94%	2,13%	2,31%	2,50%
20.000.000 €	30.000.000 €	2,20%	2,47%	2,73%	3,00%
30.000.000 €	45.000.000 €	2,46%	2,81%	3,15%	3,50%
45.000.000 €	60.000.000 €	2,61%	3,16%	3,70%	4,25%
60.000.000 €	75.000.000 €	2,76%	3,51%	4,25%	5,00%
75.000.000 €	90.000.000 €	2,91%	3,86%	4,80%	5,75%
90.000.000 €	105.000.000 €	3,06%	4,21%	5,35%	6,50%
105.000.000 €	120.000.000 €	3,21%	4,56%	5,90%	7,25%
120.000.000 €	135.000.000 €	3,36%	4,91%	6,45%	8,00%
135.000.000 €	150.000.000 €	3,51%	5,26%	7,00%	8,75%
>150.000.000€		3,66%	5,61%	7,55%	9,50%

To understand this table, it should be read as follows :

An audiovisual service whose eligible turnover is between €700,000 and €10,000,000 will be subject to a rate of 1.52 % in 2024. For example, an audiovisual service with an eligible turnover of €800,000 will have to make a contribution of €12,160 (€800,000 x 1.52%) in 2024.

³ The levels of eligible turnover referred in the table are adjusted annually on the basis of the consumer price index for January 2023.

5. Exemptions from the obligation to contribute to audiovisual production

Audiovisual services may be exempted from the obligation to contribute to audiovisual production in the Wallonia-Brussels Federation in the following cases :

- audiovisual services of linear and non-linear television with an eligible turnover of less than €700,000;
- audiovisual services of linear television whose audience share, per given service, is less than 2% of the total audience achieved by similar services on the market of the Wallonia-Brussels Federation⁴;
- audiovisual services of non-linear television whose audience share, per given service, is less than 1%;
- if the audiovisual service broadcasts less than 10% of audiovisual works on each of its services on an annual basis as compared with its annual broadcasting time.

⁴ Refer to the methodology for audience measurement defined by the *Collège d'autorisation et de contrôle* and approved by the Government of the Wallonia-Brussels Federation.

Step Two: Validation of the contribution in the form of payment or financial investments

1. Contact person

The contact point for the second stage of the procedure is the Centre du Cinéma et de l'Audiovisuel of the Wallonia-Brussels Federation.

The contact person for information on this step is:

Gracia Naranjo

Email : gracia.naranjo@cfwb.be

Phone number : +32 (0)2 413 39 35

2. Contribution in the form of a payment

Any audiovisual service who chooses to contribute in the form of a **payment** will receive a letter (by email) from the Centre du Cinéma et de l'Audiovisuel defining the terms of payment.

The payment will be due as of **January 1 of the year following the declaration of contribution** to the account below:

IBAN: BE24 0912 1110 2038 (BIC: GKCCBEBB)
Message : xxx-xxxx-xxxxx
Ministère de la Communauté française
Direction Générale du Budget et des Finances
Centre du Cinéma et de l'Audiovisuel
Company ID : BE0220916609
Boulevard Léopold II, 44
1080 Bruxelles

It is the responsibility of the audiovisual service to inform **the Centre du Cinéma et de l'Audiovisuel** (gracia.naranjo@cfwb.be) by email with acknowledgment of receipt that its payment has been made.

Example :

An audiovisual service chooses to contribute in the form of a payment to the Centre du Cinéma et de l'Audiovisuel for the 2024 obligation.

- **15 January 2025** : The Centre du Cinéma et de l'Audiovisuel sends a letter to the audiovisual service with the terms of payment.
- **15 February 2025 at the latest**: The audiovisual service makes and notifies the Centre du Cinéma et de l'Audiovisuel of its payment.

3. Contribution in the form of investments

The audiovisual service must submit its investments made in the form of co-production, pre-purchase or commission of programmes to the Centre du Cinéma et de l'Audiovisuel **by 15 November of each year at the latest. However, the audiovisual service can send its investments to the Centre du Cinéma et de l'Audiovisuel at any time before the deadline in order to receive feedback on their eligibility.**

Please note : Investments that are already subject to another legal obligation or benefit from a legal advantage are not eligible.

For the verification and analysis of the investments, the audiovisual service must send an investments summary table (cf. **Appendix 4 : Excel file « Investments Summary Table »**) and the necessary supporting documents by e-mail to the Centre du Cinéma et de l'Audiovisuel (gracia.naranjo@cfwb.be).

This form of contribution must meet certain criteria as well as investment quotas described below.

3.1 Investment obligation in co-production/pre-purchase of audiovisual works

Objective

The aim of this investment is to participate in the production of audiovisual works (co-production) or to invest in the acquisition of a broadcasting right of an audiovisual work to be made (pre-purchase). The concepts of co-production and pre-purchase are defined in **Appendix 1 : Glossary**.

The audiovisual works targeted are television and cinematographic works, regardless of their length (short film, feature film), as well as documentary works (documentaries that cannot be assimilated to news reports or news magazines).

In this context, the audiovisual service must invest at least 35% of the amount of its obligation in the co-production or pre-purchase of audiovisual works of French-speaking Belgian initiative (cf. the definition of audiovisual work of French-speaking Belgian initiative in Appendix 1: Glossary).

Supporting documents to provide for investments in audiovisual works of French-speaking Belgian initiative:

- the signed co-production or pre-purchase contract;
- the title, length (feature film or short film) and genre (documentary, fiction, animation) of the audiovisual work;
- a short synopsis;
- a statement of intent from the author or production;
- the type (co-production or pre-purchase) and amount of the financial investment;
- the contact details of the independent producer established in a Member State of the European Union who is an executive producer on the project, as well as the supporting

documents to establish its independence (**cf. 4. Verification of the independence of the European producer**) ;

- proof of European nationality as well as Belgian employment contracts for production roles in accordance with the cultural, artistic and technical criteria set out in Appendices 2 to 4 of the Order of the Government of the French Community of Belgium of 29 March 2012 on support for creation. **Please note : For each work, the audiovisual service must complete the relevant criteria using Appendix 5: Excel file « Cultural, artistic and technical criteria for audiovisual works ».**

Supporting documents to provide for investments in other audiovisual works:

- the signed co-production or pre-purchase contract;
- the title, length (feature film or short film) and genre (documentary, fiction, animation) of the audiovisual work;
- a short synopsis;
- a statement of intent from the author or production;
- the contact details of the independent producer established in a Member State of the European Union who is an executive producer on the project, as well as the supporting documents to establish its independence (**cf. 4. Verification of the independence of the European producer**);
- the type (co-production or pre-purchase) and the amount of the financial investment.

3.2 The possibility to invest in the commission of programmes

Objective

The audiovisual service **may invest a maximum of 30%** of the amount of its obligation in the commission of programmes (**cf. Appendix 1: Glossary**).

Game shows, news programmes and reality TV programmes are excluded unless the main purpose is to promote artists or the cultural heritage of the Wallonia-Brussels Federation.

This concept of cultural heritage should be understood as referring to a set of tangible or intangible resources, designed or adapted by human beings, which the members of a community inherit from the past and consider as the expression of their values, beliefs, knowledge and traditions to be transmitted to future generations. In this way, it participates in the construction of a collective memory, strengthens social cohesion, and provides a sense of identity.

Please note : Of the 30%, at least 20% must be invested in screenwriting and development (**cf. definition of development in Appendix 1: Glossary**).

Example :

If your total obligation is €100,000, you have the option to invest in the commission of programmes for a maximum of €30,000 (30% of €100,000). From this €30,000, you will have to invest €6,000 in screenwriting and development.

However, what happens if you invest less than the maximum amount of €30,000 ?

In this case, your total investments should also include a 20% share in screenwriting and development of programmes.

So, if you invest €10,000 in the commission of programmes, at least €2,000 (20% of €10,000) of that commission must be spent on screenwriting and development of programmes. If you invest €8,000 in a commission solely for the production of a programme, you will also have to submit an investment of €2,000 in a commission for the screenwriting and development of another programme. The investments will thus make €10,000 in total, with a minimum investment of €2,000 (20%) in screenwriting and development.

Supporting documents to provide for the commission of the production of a programme

- the signed commission of programme contract ;
- the title of the programme ;
- a description of the concept of the programme ;
- the contact details of the independent producer established in a Member State of the European Union who is an executive producer on the project, as well as the supporting documents to establish its independence (**cf. 4. Verification of the independence of the European producer**) ;
- the amount of the financial investment;
- if the programme is a game show, news programme or reality TV programme, the evidence that its main purpose is to highlight artists who live or have their registered office in the French-speaking Region or in the bilingual Brussels-Capital Region, or the programme highlights the cultural heritage of the Wallonia-Brussels Federation.

Supporting documents to be provided for the screenwriting or development of a programme

- a description of the basic concept of the programme ;
- a signed contract with the programme screenwriter for the writing or rewriting ;
- any other development contracts signed;
- the amount of the financial investment.

3.3 The possibility to invest in screenwriting and audiovisual works development

Objective

The audiovisual service **may invest** in screenwriting and the development of audiovisual works (**cf. definition of development in Appendix 1: Glossary**) with a screenwriter working under a Belgian contract⁵. **The amount of this investment is doubled when it is approved.**

Example : An investment of €100,000 will be counted as €200,000 in the fulfilment of the obligation.

⁵ This is a contract subject to Belgian law.

Supporting documents to provide

- The contract under Belgian law signed with the screenwriter for the writing or rewriting;
- Any other development contracts signed ;
- The amount of the financial investment.

3.4 The possibility to invest in professional training

Objective

The audiovisual service **may invest** a **maximum of 5%** of its obligation in professional training. This can be professional training in technical or artistic fields.

Supporting documents to provide

- The training contract signed with the training center established in the Wallonia-Brussels Federation (French-speaking Region or Brussels-Capital Region) ;
- The amount of the financial investment.

3.5 The possibility to invest in the accessibility of audiovisual works to persons with sensory impairments

Objective

The audiovisual service **may invest** a **maximum of 5%** of its obligation in the accessibility of audiovisual works to people with sensory impairments.

Supporting documents to provide

- The contract signed with the service provider in charge of the accessibility established in the Wallonia-Brussels Federation (French-speaking Region or Brussels-Capital Region);
- The amount of the financial investment.

3.6 The possibility to invest in dubbing or subtitling of audiovisual works

Objective

The audiovisual service **may invest** a **maximum of 5%** of its obligation in the dubbing or subtitling of audiovisual works.

Supporting documents to provide

- The contract signed with a service provider in charge of the dubbing or subtitling established in the Wallonia-Brussels Federation (French-speaking Region or Brussels-Capital Region);

- The amount of the financial investment.

4. Verification of the independence of the European producer

As a reminder, any investment made in an audiovisual work or a commission of programme must involve at least one **independent producer established in a Member State of the European Union and who is an executive producer on the project (referred to as *producteur délégué* in French)**.

The independence of the European producer can be analysed on the basis of the definition set in the Decree of 4 February 2021 on audiovisual media services and video-sharing platforms (**cf. definition of independent producer in Appendix 1 : Glossary**).

Please note: The producer position (executive producer) must be clearly indicated in the contract.

In order to establish and validate the independence of the European producer, the audiovisual service must provide the Centre du Cinéma et de l'Audiovisuel with the necessary information to verify the following :

- the production company's incorporation deed ;
- the production company's direct and indirect capital structure ;
- for companies that hold more than 15% of the capital of the production company, the shares of capital that these companies hold directly and indirectly in other companies ;
- shares in capital that the production company holds directly or indirectly in other companies ;
- the amount of the production company's annual turnover for the last three years, with identification of the audiovisual services who have contributed annually to these revenues as well as the amount of their contribution.

The audiovisual service must always request to the producer to provide these informations in order to ensure that the independence criteria comply with the definition of the decree.

5. The absence of contract for a project

When there is no contract for a project in which the audiovisual service has invested, the audiovisual service may, **on a provisional basis**, submit a **letter of commitment**. It must be dated and signed by the audiovisual service and specify the type of investment, the amount of the financial investment and the period within which the contract will be concluded.

If the investment relates to the co-production or pre-purchase of audiovisual works or to the commission of programmes, the following additional information must be provided :

- The title of the audiovisual work or programme;
- The length and genre of the audiovisual work or programme;

- The contact details of the independent producer established in a Member State of the European Union who is an executive producer on the project, as well as the supporting documents to establish its independence.

An email that clearly indicates the audiovisual service's willingness to commit to a project can be used as a letter of commitment. It is the date of the email that will determine the year of commitment.

6. Non-completion of a project

When a project has not been achieved, the amount planned to be invested by the audiovisual service, after deduction of contractually justified investments, may be allocated to another project no later than 3 years after the initial investment decision stated in the contract or letter of commitment.

If no other project is found within the deadline, the audiovisual service must pay the Centre du Cinéma et de l'Audiovisuel the amount intended for investment.

7. Possibility of entrusting the obligation to a third-party company

The audiovisual service may, except for the commission of programmes, entrust all or part of its contribution obligation in the form of co-production or pre-purchase to a third party company.

However, the third-party company may not value, on behalf of the audiovisual service, investments that have already been subject to another legal obligation.

For example, an investment made by a third-party company under a contribution obligation in another Member State of the European Union where that company is established could not be taken into account.

Please note : Investments in co-production or pre-purchase benefiting from a legal advantage are also not considered. A third-party company that is not an audiovisual service or a company whose main purpose is audiovisual production (a condition in the Tax Shelter) to which the obligation would be entrusted and which would invest in productions benefiting from the Tax Shelter, would not be able to submit those investments on behalf of the audiovisual service in the context of this obligation.

8. The « smoothing » principle

Objective

The principle of « smoothing » the obligation means that the audiovisual service has the opportunity to report or carrying over its contribution obligation of the year over the next two years. The aim of this rule is to allow the audiovisual service to invest less in one year and more in another, depending on the projects available.

This mechanism is only valid for the contribution in the form of investments.

In theory :

- If the audiovisual service has made financial investments **in excess** of its contribution obligation, it may carry over all or part of these surpluses to the following two financial years for deduction. If it has not been possible to deduct these surpluses during this new period, they can no longer be counted as a contribution to audiovisual production.
- If the audiovisual service has made financial investments **worth less than** the amount of its contribution obligation, it may carry over all or part of this investment deficit to the following two financial years. If it is unable to make up the shortfall during this new period, the audiovisual service will have to pay the Centre du Cinéma et de l'Audiovisuel the amount of the shortfall.

Example of the smoothing principle:

Let's take the case of an audiovisual service with an obligation to contribute set at €100,000 per year.

Hypothesis 1: The audiovisual service **invests €100,000 per year** in projects.

	Situation	Conclusion
Year N	Obligation N: €100,000 Investments N: €100,000	✓ Obligation N fulfilled
Year N+1	Obligation N+1 : €100,000 Investments N+1 : €100,000	✓ Obligation N+1 fulfilled
Year N+2	Obligation N+2 : €100,000 Investments N+2 : €100,000	✓ Obligation N+2 fulfilled

Hypothesis 2: The audiovisual service invests **€0 per year** in projects.

	Situation	Conclusion
Year N	Obligation N+1: €100,000 Investments N: €0	Still to be invested: €100.000 of year N
Year N+1	Obligation N+1 : €100,000 Breach N: €100,000 Investments in N+1: €0	Still to be invested: €100.000 of year N €100.000 of year N+1
Year N+2	Obligation N+2 : €100,000 Breach N and N+1: €100.000 N + €100,000 N+1 Investments in N+2: €0	End of the smoothing principle period for year N: The €100,000 must be paid to the Centre du Cinéma et de l'Audiovisuel at the beginning of year N+3.

Hypothesis 3: The audiovisual service invests **€50,000 per year** in projects

	Situation	Conclusion
Year N	Obligation N: €100,000 Investments N: €50,000	Still to be invested: €50.000 of year N
Year N+1	Obligation N+1 : €100,000 Breach N: €50,000 Investments in N+1: €50,000	Investments in N+1 first absorb the shortfall in year N . Thus, there is still €100,000 of N+1 to be invested.
Year N+2	Obligation N+2: €100,000 Breach N+1: €100,000 Investments in N+2: €50,000	Investments in N+2 first absorb the shortfall in year N+1. There is still to be invested : €50,000 of year N+1 €100,000 of year N+2 End of the smoothing principle period for year N: ✓ Year N obligation fulfilled because the shortfall in year N was completed in the following two years.

Hypothesis 4: The audiovisual service invests €300,000 in projects in year N

	Situation	Conclusion
Year N	Obligation N : €100,000 Investments N : €300,000	✓ Obligation N fulfilled and there is a surplus of €200,000
Year N+1	Obligation N+1 : €100,000 Surplus N : €200,000	✓ Obligation N+1 fulfilled because it is covered by the N surplus and there is still a surplus of €100,000
Year N+2	Obligation N+2 : €100,000 Surplus N+1: €100,000	End of the smoothing principle period for year N: The €200,000 surplus was approved as a contribution to audiovisual production. Everything is in order for years N, N+1 and N+2.

9. Mandatory economic spin-offs in Wallonia-Brussels Federation

Objective

For each financial investment, the audiovisual service must provide the Centre du Cinéma et de l'Audiovisuel with evidence of an economic impact in Wallonia-Brussels Federation.

This impact is measured by assessing if there is expenditure incurred in the French-speaking Region or in the bilingual Brussels-Capital Region.

To this end, the audiovisual service must submit invoices for expenses incurred in the context of the project for at least an amount equal to the amount of the investment and with companies or individuals having their registered office or place of business in the French-speaking Region or in the bilingual Brussels-Capital Region.

All types of expenses are accepted as long as they are related to the project.

However, some expenses must meet certain conditions to be eligible :

- Overhead costs are eligible up to a maximum of 7% of the audiovisual service's investment in the project;
- The producer may only remunerate itself as a company up to a maximum of 10% of the audiovisual service's investment in the project;
- Gross salaries are taken into account for any service provided by the producer's employees.

Please note : An investment without expenses in Wallonia-Brussels Federation will therefore not be considered as an investment eligible in the obligation to contribute to audiovisual production.

Supporting documents to be provided to justify the expenses

A summary list of expenses (**cf. Appendix 6 : Excel file « Summary list of economic spin-offs »**) accompanied by expense invoices must be provided to the Centre du Cinéma et de l'Audiovisuel. Invoices must be numbered in the order in which they are listed in the summary table. Each invoice must include the following information :

- The mention "Invoice" on the document ;
- The name of the service provider with the address of its registered office or place of business in the French-speaking Region or in the bilingual Brussels-Capital Region ;
- The customer's name with its contact details ;
- The date of the invoice ;
- The VAT number of the service provider and the customer ;
- A description of the service or product ;
- The VAT rate applied ;
- The total amount of the invoice excluding VAT;

The total amount of expenses must be at least equal to the amount invested by the audiovisual service. Invoices relating to economic spin-offs must be sent to the Centre du Cinéma et de l'Audiovisuel at any time as soon as they are available but no later than three years after making the investment. If there are no economic spin-offs from an investment, then the investment will be cancelled.

10. Support Committee

Committee comprising of representatives of the audiovisual service, the government departments (in this case the Centre du Cinéma et de l'Audiovisuel) and professional organizations representing independent producers, audiovisual authors and performers in the Wallonia-Brussels Federation. The annual meeting is held **at the end of December**.

The purpose of this committee is to inform the professional organizations about the investments made by the audiovisual service during the year.

On this occasion, the members of the committee have the opportunity to give an opinion on the investments. The audiovisual service also shares its experience and any difficulties encountered to fulfil its obligation.

Each year, the Centre du Cinéma et de l'Audiovisuel sends to the CSA a report on the audiovisual service's obligation to contribute and the minutes of the Support Committee.

During these committees, the Centre du Cinéma et de l'Audiovisuel does not communicate any information considered confidential by the audiovisual service.

11. Possibility of concluding an agreement

The audiovisual service may conclude agreements with the Government of the Wallonia-Brussels Federation. These agreements are subject to the opinion of the Support Committee.

The purpose of these agreements is to direct the investments of the audiovisual service towards specific types of audiovisual works or commission of programmes.

These agreements may also fix a level of contribution higher than the legal obligation or other additional commitments that the audiovisual service may wish to implement.

APPENDIX 1: Glossary

Audiovisual media service : a service whose main purpose or part of it, is to provide the audience television or sound programmes, linear or non-linear, by means of electronic communications networks, for the purpose of informing, entertaining, educating or providing commercial communication. In addition to services meeting this definition, teletext is also considered an audiovisual media service and is subject to the rules in Titles 3, 4 and 5, of Book II, as well as Articles 5.2-1 to 5.2-5, 5.7-1, 5.7-2 and 6.1.1-1.

Audiovisual service of linear or non-linear television: the natural or legal person who assumes broadcasting responsibility and thus the choice of the content of the audiovisual service. It also determines the way in which the TV channel or catalogue is organised.

Audiovisual work: any work that cumulatively satisfies the following criteria: (a) the work meets the definition of a cinematographic or television fiction work within the meaning of 25° or a documentary work within the meaning of 27°; (b) the work is not one of the following:

- a television show, including the ones that present documentary or fiction sequences;
- an entertainment television programme, including the ones that are scripted, staged, edited or that present some form of reality;
- a television programme intended to reproduce TV shows in a fictitious manner;
- a news report;
- a news magazine;
- a simple recording, without modification of the scenography or editing, of a live performance as long as this show exists « independently of the television programme »;

Audiovisual work of French-speaking Belgian initiative : audiovisual work that meets the cultural, artistic and technical criteria determined by the Government's decree of 10 November 2011 on support for cinema and audiovisual creation. (cf. Appendix 5: Excel file « Cultural, artistic and technical criteria for audiovisual works »).

Cinematographic or television fiction work : any work that cumulatively meets the following criteria: (a) be a creation of the imagination, even if it aims to convey reality; (b) be a staged work and whose production requires a script for filming but also leaves room for improvisation, and thus relies on the performance of performing artists (except for animated works) for most of its duration.

Commission of programmes : the commission by an audiovisual service of a programme, excluding commercial communications, produced or co-produced by at least one independent producer established in a Member State of the European Union who is an executive producer on the programme.

The following programmes are excluded from this definition :

- a) audiovisual works;
- b) programmes whose main purpose is commercial communication;
- c) programmes involving a financial contribution by the user in the context of an interaction with these programmes;
- d) games in which contestants take tests in order to win a prize;
- e) news programmes;
- f) reality TV programmes, understood as programmes consisting of filming the daily lives of people selected to take part in them;
- g) broadcasts of sports competitions.

The programmes excluded in (d) to (f) may be considered to fall within the definition of commission of programmes when their main purpose is to promote artists or the cultural heritage of the Wallonia-Brussels Federation.

Co-production of an audiovisual work: the production of an audiovisual work by an audiovisual service and at least one independent producer established in a Member State of the European Union and who is an executive producer on the project.

Cross-border audiovisual service: the audiovisual service of linear or non-linear television which falls under the jurisdiction of a Member State of the European Union or is part of the Agreement on the European Economic Area or the Council of

Europe Convention on cross-border television and which targets the audience of the French-speaking Region or the French-speaking audience of the bilingual Brussels-Capital Region with a view to obtain revenue from commercial communications on that market or revenue from users. Such audiovisual service is subject to the rules of Articles 6.1.1-1, 9.2.3-2 and 9.2.3-3.

Development : the stages of preparation of an audiovisual work or a programme prior to its production, which are rewriting, script-doctoring, coaching, research work, pre-casting, financing, budgeting, location scouting and the development of the promotion and distribution strategy. Development expenses include expenses related to the filming of pilots.

Executive producer : the producer responsible for the production of the audiovisual work or programme, who guarantees its successful completion, both financially and technically, in respect of its contractual obligations.

Independent Producer :

A European independent producer is a producer established in a Member State of the European Union that meets the following requirements:

- which has a legal personality separated from that of an audiovisual service ;
- which does not own, directly or indirectly, more than 15% of the capital of an audiovisual service;
- which does not derive more than 90% of its turnover over a period of three years from the sale of productions to the same audiovisual service ;
- whose capital is not held, directly or indirectly, for more than 15% by an audiovisual service ;
- whose capital is not held for more than 15% by a company that directly or indirectly owns more than 15% of an audiovisual service.

Linear service : an audiovisual media service whose programmes are intended to be received simultaneously by the whole audience or part of it at a time decided by the audiovisual media service on the basis of a programme schedule drawn up by it.

Media service provider : any legal person that makes available to the public one or more audiovisual media services in any way whatsoever, including terrestrial radio, satellite or cable television network. The offer of services may include services provided by the legal entity itself and services provided by third parties with whom it establishes contractual relations. A media service provider is also considered to be any legal entity that provides an offer of services by establishing contractual relations with other media service providers.

Non-fiction work : any work that cumulatively meets the following criteria :

- a) presents an element of reality;
- b) has an author's point of view characterized by in-depth reflection, maturation of the subject matter, research and writing;
- c) enables the acquisition of knowledge;
- d) the treatment of the subject must be clearly distinguished from a strictly informative programme;
- e) has the potential for enduring interest other than as an archive;

Non-linear service : an audiovisual media service whose programmes are intended to be received on-demand and at the time chosen by the user, on the basis of a catalogue of programmes established by the on-demand audiovisual media service.

Pre-purchase of an audiovisual work : any acquisition, by an audiovisual media service, of a right to broadcast an audiovisual work to be produced and co-produced by at least one independent producer established in a Member State of the European Union and who is an executive producer on the project.

Programme : a set of moving images, whether or not combined with sound, in the case of a television programme, or a set of sounds in the case of a sound programme, constituting a single element, regardless of its duration, within the framework of a grid of programmes, relating to a linear programme, or a catalogue, relating to an on-demand programme, as established by an audiovisual service.

Television service : an audiovisual media service whose programmes are television programmes.

Video-sharing platforms : a service whose main purpose or part of it, is to provide to the audience, by means of electronic communications networks, television or sound programmes, or user-generated videos, or both, which do not fall under the editorial responsibility of the provider of the video-sharing platform, for the purpose of informing, entertaining or educating. The organisation of the platform is determined by the provider of the video-sharing platform, by automatic means or algorithms, in particular display, tagging and sequencing.

APPENDIX 2 : Legislation

The obligation to contribute to audiovisual production is regulated by the following legal texts:

- **The Decree of 4 February 2021 on audiovisual media services and video-sharing platforms, amended by the Decree of 6 December 2023**, in particular Article 6.1.1-1 with regard to audiovisual services of linear and non-linear television

As well as its implementing order :

- **The Order of the Government of the French Community of Belgium of 21 February 2024 setting out the terms and conditions of the contribution of audiovisual media services to audiovisual production**

APPENDIX 3: Excel file « Turnover form 2024 »

APPENDIX 4: Excel file « Investments summary table »

APPENDIX 5: Excel file « Cultural, artistic and technical criteria for audiovisual works »

APPENDIX 6: Excel file « Summary list of economic spin-offs »