

**The CNC video tax is now applicable to audiovisual services established outside of France and free platforms**

[AUDIOVISUAL]

*Decree n°2017-1364 of 20 September 2017*

According to a new decree published in the French official journal on 21 September 2017, the extension of the scope of the CNC video tax has now entered into force.

Said extension concerns two new types of audiovisual services, and was voted by the French Parliament in respectively 2013 and 2016. The modifications could not enter into force before the European Commission had authorized said modifications, on which it has now ruled.

Firstly, the CNC video tax is now applicable to on-demand audiovisual media services that are established outside of France, as long as they are making audiovisual content available to the public, against payment, in France.

The rate of the tax is the same as for services established in France: 2% of the amount paid by the public excluding VAT to access the content in France (increased to 10% for pornographic or violent content).

Secondly, the tax has also been extended to the making available of audiovisual content to the public free of charge, in France, via online audiovisual services, whether those services are established in France or outside of France. This concerns in particular platforms like Dailymotion (FR-based) or YouTube (Non-FR-based).

Since the content is made available free of charge, the tax is still of 2% (or 10% for pornographic or violent content) but it is based on part of the platforms' advertising revenues for the part of the service making audiovisual content available in France, and after application of a 4% deduction set out by the new text (raised to 66% for services giving access to content created by private users for sharing and exchanging purposes within a community). In practice, the calculation of the tax will most likely prove difficult.

The amounts received through this tax are assigned to the CNC. It will thus contribute to the financing of the subsidies that this institution offers to French producers and authors in order to encourage the creation and production of French content.

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