

## **EUROPEAN TELEVISION: TAX LAW POSES NEW THREAT TO MEDIA SECTOR IN HUNGARY**

Brussels, 12 June 2014

European commercial broadcasters have condemned as disproportionate and counter-productive the new Hungarian legislation which introduces punitive taxation on advertising revenues of media companies.

Speaking after the annual General Assembly of the Association of Commercial Television, Ross Biggam, Director-General of the ACT, said:

“By surcharging advertising-based revenues at rates of up to 40%, this legislation must call into question the ability of the Hungarian market to attract the necessary investment to sustain independent and pluralist news media.

Television programming requires significant investment. Between 40% and 50% of European broadcasters’ advertising revenues are spent on high-quality programme content - news, local drama, sports, documentaries and entertainment.

Our meeting was particularly concerned by the lack of consultation with affected stakeholders, and the lack of objective grounds for the tax. Responsible media companies do not question the societal obligation to pay a reasonable level of tax. But rushed and disproportionate measures such as the Hungarian tax on advertising revenues are a threat to the sustainability of media services in Hungary.”

The ACT, a number of whose member companies are active on the Hungarian media market, agreed at its General Assembly to bring this issue to the attention of the EU institutions.

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### Notes

(1) The ACT represents the business interests of broadcasters at the EU and international institutions. Its member companies are active in 37 European markets

(2) The advertising tax was voted by the Hungarian Parliament on 11 June 2014

Press contact: Ross Biggam, ACT Director-General, [rb@acte.be](mailto:rb@acte.be) / +32 477 407 733