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Chair of the European Scrutiny Committee  
House of Commons  
London  
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CMS 302726/DC  
5 July 2017

Dear Chair

**Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Directive 2010/13/EU on the coordination of certain provisions laid down by law, regulation or administrative action in Member States concerning the provision of audiovisual media services in view of changing market realities (9479/16)**

I am writing to provide an update on the Education, Youth, Culture and Sport (EYCS) Council on held on 23 May.

There was not an agreement for a General Approach at the start of the meeting, and a number of amendments were tabled on the day in order to reach a compromise.

These amendments included:

- an increase in the quotas for video-on-demand services from 20% of European Works to 30%.
- A change to the definition of video-sharing platforms to include services where *an essential functionality* of the service includes video-sharing. What this means in practice will be defined by Commission guidance at a later stage.
- A change to the circumvention criteria so that Member States no longer have to prove the intention to circumvent, rather ascertain a number of collaborative facts to demonstrate circumvention.

There were no changes to the proposed levies or the extension to linear.



The UK did not support the text. The increase in quotas and retention of levies crossed the UK's 'red-lines' in this area. My Department is now assessing the implications of the new wording *an essential functionality* in relation to video sharing platforms.

The Council did not have a formal vote. Member States were asked to indicate if they could not support the text. Those who did not support (in addition to the UK), were Ireland, Sweden, Denmark, Netherlands, Luxembourg, Finland and Czech Republic. Hungary expressed reservations that compromises regarding Country of Origin did not go far enough.

The text was accordingly considered to reach a qualified majority for a Common Approach and will now go into trilogue with the Commission and Parliament, once the Estonians have taken on the Presidency.

I will provide an update in the early autumn with regard to the timeframes and process for trilogue. I remain at your disposal if you have any further questions.

I am copying this letter to Lord Boswell, EU Select Committee Chair, to Les Saunders at DExEU, Eve Samson ESC, Chris Johnson EUC and DCMS scrutiny coordinator.

Yours ever

A handwritten signature in blue ink, appearing to read 'Matt Hancock', with a long, horizontal flourish extending to the right.

**THE RT HON MATT HANCOCK MP**