

# Media Act

2011 No 38 20 April

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**Entry into force 21 April 2011.** *EEA Agreement:* Annex X, Directive 89/552/EEC. *Amended by* Act No 126/2011 (entry into force 30 September 2011) and Act No 54/2013 (entry into force 12 April 2013; *EEA Agreement:* Annex XI, Directive 2010/13/EU).

Any reference in this Act to “the Minister” or “the Ministry” not accompanied by express mention of or reference to a specific field of responsibility shall be understood as being a reference to the **Minister of Education, Science and Culture** or to the **Ministry of Education, Science and Culture** as responsible for the implementation of this Act.

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## Section I. Objectives and definitions

### ■ Article 1 Objectives

The objective of this Act is to promote freedom of expression, freedom of information, media literacy, diversity and pluralism in media and to enhance consumer protection in this area. A further objective of the Act is to establish a coordinated regulatory framework for media services irrespective of the type of media employed.

### ■ Article 2 Definitions

For the purposes of this Act, the following definitions shall apply:

1. *Set-top box:* a device intended to receive and process all aspects of digital broadcasts and transmit them to television receivers, this including, where appropriate, providing access to audiovisual content that is only available in return for payment.
2. *Advertisement:* A commercial communication involving any type of announcement which is relayed in return for payment, or in the media service provider’s own interests, involving the promotion of an image, product or service.
3. [*Responsible editor:* a media employee who has editorial responsibility for content and the choice thereof and who decides on its organisation, such as an editor-in-chief, a programme director or a director of a radio or television station. If the media service provider is an individual, that person is automatically presumed to be the responsible editor.]<sup>1)</sup>
4. *Programme schedule:* the entire assemblage of programmes.
5. *Programme:* a set of sounds and/or moving images constituting an individual item within a programme schedule established by a media service provider and whose form and content is comparable to the form and content of a radio or television broadcast.
6. *Surreptitious commercial communication:* the representation in words or pictures of goods, services, the name, trade mark or the activities of a producer of goods or a provider of services in programmes when such representation is intended by the media service provider to serve as advertising and might mislead the public as to its nature.
7. ...<sup>1)</sup>
8. *Retransmission of foreign audiovisual broadcasts:* a radio or television broadcast from a foreign media service provider that is received by an Icelandic media service provider and re-transmitted by the latter to consumers in Iceland, by wire or by radio.

9. [*European works*: audiovisual content covered by point (n) of Article 1(1) and Article 1(2), (3) and (4) of Directive 2010/13/EU of the European Parliament and of the Council of 10 March 2010 on the coordination of certain provisions laid down by law, regulation or administrative action in Member States concerning the provision of audiovisual media services.]<sup>1)</sup>

10. *Electronic communications undertaking*: a natural or legal person that has informed the Icelandic Post and Telecom Administration of the proposed operation of an electronic communications network.

11. *Electronic communications network*: transmission systems and, where applicable, switching or routing equipment and other resources which permit the conveyance of signals by wire, by radio, by optical means, by electricity cable systems, high-voltage lines or by other electromagnetic means, including networks used for audio and audiovisual broadcasting.

12. *Teleshopping*: an audiovisual broadcast involving the direct offer or sale of products and services, including immovable property, rights and obligations, to the public in return for payment, in which one or more methods of telecommunication are employed in the presentation of the offer and the conclusion of the agreement without any meeting between consumer and seller taking place. ‘Teleshopping’ covers both teleshopping windows and teleshopping spots. Teleshopping windows constitute complete programmes, while teleshopping spots consist of content inserted between programmes and are subject to the same rules as commercial communications.

13. *Media outlet*: any media outlet which regularly provides the public with content which is subject to editorial control. Media outlets include, amongst other things, newspapers and periodicals, together with their supplements, internet media, audiovisual media and other comparable media.

14. *Media services*: the services provided by media outlets.

15. *Media service provider*: the natural or legal person operating a media outlet.

16. *Transmission*: in relation to the ‘must carry’ and ‘must offer’ rules, the transmission and distribution of audiovisual content from a television station’s connection point to the consumer’s set-top box.

17. *Transmission rules*: the ‘must carry’ and ‘must offer’ rules.

18. *Must-offer obligation*: the obligation of media service providers, subject to certain requirements, to comply with a request from an electronic communications undertaking to distribute content.

19. *Must-carry obligation*: the obligation of electronic communications undertakings, subject to certain requirements, to comply with a request from a media service provider to distribute content.

[20. *Representative*: a natural person who has overall responsibility for the operations of a media service provider.]<sup>1)</sup>

[21.]<sup>1)</sup> *Interactive advertising*: advertising which enables recipients of audiovisual content to access information at their own initiative using any type of receiver.

[22.]<sup>1)</sup> *Podcasting (podcasts)*: when programmes, in their entirety or in part, are offered for downloading by the public.

[23.]<sup>1)</sup> *Commercial audiovisual broadcasts*: covers commercial communications and teleshopping.

[24.]<sup>1)</sup> *Audio media service*: a service provided by a media service provider consisting on the one hand of radio broadcasts and on the other of podcasts or any other type of on-demand audio media service.

[25.]<sup>1)</sup> *On-demand audio media service (non-linear audio media service)*: a service provided by a media service provider, irrespective of the device used to receive the transmissions and

of whether payment is required for the content, and enabling users to listen to programmes in their entirety or in part at the time they choose and on their specific request on the basis of the media service provider's catalogue.

[26.]<sup>1)</sup> *Radio broadcasting* (linear audio media service): any form of broadcasting of audio content, irrespective of the receiver used to receive the transmission, in which the media service provider offers programmes for simultaneous listening on the basis of a programme schedule.

[27.]<sup>1)</sup> *Sponsorship*: any contribution made by public or private undertakings or natural persons not engaged in audio or audiovisual media services or in the production of audio or audiovisual works to the financing of individual programmes with a view to promoting their name, its trade mark, its image, its activities or its products.

[28.]<sup>1)</sup> *Paid-access transmission*: a radio or television broadcast in which the audio or audiovisual signal is altered in order to restrict access to the transmission to paying users.

[29.]<sup>1)</sup> *Audiovisual media service*: a service offered by a media service provider consisting on the one hand of television broadcasts and on the other of on-demand audiovisual services.

[30.]<sup>1)</sup> *On-demand audiovisual media service* (non-linear audiovisual media service): a service provided by a media service provider, irrespective of the device used to receive the content and of whether payment is required for the content, and enabling users to watch programmes in their entirety or in part at the time they choose and on their specific request on the basis of the media service provider's catalogue.

[31.]<sup>1)</sup> *Print medium*: a media outlet which makes text content available in printed or other comparable form, e.g. a newspaper or periodical.

[32.]<sup>1)</sup> *Electronic text medium*: a media outlet which makes text content available electronically, e.g. an internet edition of a newspaper or periodical, a newspaper or periodical which is transmitted by email and other internet media.

[33.]<sup>1)</sup> *Text content*: text which is made available independently. 'Text content' also includes maps, drawings, pictures, written music, etc.

[34.]<sup>1)</sup> *Text-based service*: a service offered by a media service provider consisting, on the one hand, in the provision of text content in printed or other comparable form and, on the other, in the provision of text content by electronic means.

[35.]<sup>1)</sup> *Editorial control*: control over the selection and organisation of the content made available.

[36.]<sup>1)</sup> *Independent producer of audio or audiovisual content*: an undertaking which is also a separate legal person, independent of the media service provider concerned in the sense that it is not under its direct or indirect control, either individually or in partnership with others, and free to define its own commercial policy.

[37.]<sup>1)</sup> *Television broadcasting* (linear audiovisual media service): any type of transmission of audiovisual media content, irrespective of the receiver used to receive it, in which a media service provider offers content for simultaneous viewing on the basis of a programme schedule.

[38.]<sup>1)</sup> *Split-screen advertisement*: an advertisement which appears in part of the screen simultaneously with the transmission of any other type of audiovisual content.

[39.]<sup>1)</sup> *Virtual advertising*: advertising which is not present at the venue where a televised event takes place, but is added so that it appears in the broadcast or other transmission of the content.

[40.]<sup>1)</sup> *Commercial communication*: a text, image and/or audio content which is designed to direct attention, directly or indirectly, towards the products, service or image of a natural or legal entity pursuing an economic activity and is presented in return for payment or for similar consideration or for self-promotional purposes. Forms of commercial communication include, *inter alia*, advertisements, sponsorship and product placement.

[41.]<sup>1)</sup> *Receiver*: any device that receives and relays media content, e.g. a television, radio, computer, palm-top computer or mobile telephone.

[42.]<sup>1)</sup> *Product placement*: commercial communications including all types of audiovisual transmission for commercial purposes including or referring to a product, a service or the trade mark thereof so that it is featured within a programme, in return for payment or for similar consideration.

[43.]<sup>1)</sup> *Broadcast signal*: a transmission wave, carried over a wire or by radio, which conveys audiovisual content to receivers or set-top boxes, either in digital or analogue form.

<sup>1)</sup>Act No 54/2013, Article 1.

## **Section II. Scope and jurisdiction**

### **■ Article 3 Scope**

This Act applies to all [media outlets and media service providers]<sup>1)</sup> established in Iceland which make content available to the Icelandic public, subject to the provisions of Article 4. Thus, it applies to all audio and audiovisual content, whether in paid access or open access, linear or on demand, and to all text content, whether presented in printed or other comparable form, or electronically.

<sup>1)</sup> Act No 54/2013, Article 2.

### **■ Article 4 Jurisdiction over audiovisual media service providers**

Iceland shall have jurisdiction over audiovisual media service providers established in Iceland. Such entities shall be regarded as being established in Iceland:

a. when they have their head office in Iceland and decisions on programming and other matters covered by editorial responsibility are made in Iceland;

b. when they have their head office in Iceland and decisions on programming and other matters covered by editorial responsibility are made in another country, or vice versa, provided that a substantial part of the workforce involved in the pursuit of the audiovisual media service activity is employed in Iceland;

c. when they have their head office in Iceland, decisions on programming and other matters covered by editorial responsibility are made in another country, and a substantial part of the workforce involved in the pursuit of the audiovisual media service activity is employed in each of the two countries; and

d. when they have their head office in Iceland and decisions on programming and other matters covered by editorial responsibility being made in another country, or vice versa, and a substantial part of the workforce involved in the pursuit of the audiovisual media service activity is employed in neither of these countries, and the entity concerned has begun broadcasting under a broadcasting licence granted on the basis of Icelandic law and has maintained a stable and effective link with the Icelandic economy.

Iceland shall also have jurisdiction over audiovisual media service providers established neither in Iceland, as provided for under the first paragraph, nor in another EEA Member State, if they meet one of the following conditions:

a. They use a ground station located in Iceland for transmitting a signal via satellite; or

b. They use the transmitting capacity of a satellite associated with Iceland, provided that a ground station of another EEA Member State is not employed for sending the signal to the satellite.

In the event of doubt regarding whether or not an audiovisual media service provider falls under Icelandic jurisdiction or that of another EEA Member State, and if the question cannot be resolved on the basis of the first or second paragraph, it shall be resolved on the basis of the provisions of the Agreement on the European Economic Area, in particular those of Part III, Chapter 2, on the right of establishment.

■ **Article 5** *Temporary blocking of the reception of audiovisual media content from other EEA Member States*

□ Notwithstanding Iceland's obligation to ensure freedom to receive television broadcasts from other EEA Member States, the Media Commission may block such reception temporarily if the following conditions are met:

a. [The broadcast constitutes a clear, significant and serious violation of the ban on incitement to hatred on grounds of race, sex, religion or nationality or of the provisions of Article 28;]<sup>1)</sup>

b. The media service provider concerned has violated point a on at least two occasions during the previous 12 months;

c. The Media Commission has notified the media service provider concerned, and the EFTA Surveillance Authority or the European Commission, as appropriate, in writing, of the alleged violation and of the measures that it intends to take if the violation is repeated; or

d. Consultation with the competent authority in the Member State exercising jurisdiction of the media service provider concerned and the EFTA Surveillance Authority or the European Commission, as appropriate, has not led to a solution within 15 days of the notification mentioned in point c and the alleged violation continues.

□ In the case of on-demand audiovisual media services the reception of audiovisual content from another EEA state may be blocked temporarily on the basis of the same considerations as are listed in point a of the first paragraph, and the same applies if the audiovisual content in question is considered as being, for other reasons, in violation of public order, the protection of public health, public security or the protection of consumers.

□ However, the Media Commission shall only block the reception of audiovisual content such as that referred to in the second paragraph if the competent authority in the Member State exercising jurisdiction over the media service provider in question has not complied with the authority's request to take measures against the media service provider concerned, or the measures which it has taken are insufficient. In such a case, the Media Commission shall inform the EFTA Surveillance Authority or the European Commission, as appropriate, of the proposed blocking of reception of the content before it is implemented.

□ The provisions of the third paragraph may be waived in emergency situations. However, such instances shall be reported without delay to the EFTA Surveillance Authority or the European Commission, as appropriate, and to the competent authority in the Member State concerned, accompanied by a justification for classifying the situation as an emergency.

<sup>1)</sup> Act No 54/2013, Article 3.

■ **Article 6** *Measures against audiovisual media service providers which fall under the jurisdiction of other EEA Member States*

□ If the Media Commission considers that a media service provider which comes under the jurisdiction of another EEA Member State while distributing audiovisual content that is mainly, or entirely, intended for reception in Iceland has violated provisions of this Act, the Commission may request the competent authority in the EEA Member State concerned to instruct the media service provider to comply with the relevant provisions.

□ If the Media Commission considers that the outcome obtained by the application of the first paragraph is unsatisfactory, and that the media service provider in question has acquired establishment in the EEA Member State concerned solely for the purpose of circumventing Icelandic law, it may take appropriate measures against the media service provider under this Act if the following conditions are met:

a. It has notified the EFTA Surveillance Authority, or the European Commission, as appropriate, and the competent authority in the relevant EEA Member State, of the measures it intends to take and provided appropriate reasoning for them; and

b. The EFTA Surveillance Authority or the European Commission, as appropriate, has confirmed that the measures in question are compatible with the provisions of the EEA Agreement and that the Media Commission's assessment under the first and second paragraphs is correct.

If the European Commission or the EFTA Surveillance Authority comes to the conclusion that the measures are not compatible with the provisions of the EEA Agreement, the Media Commission shall not implement those measures.

### **Section III. Administration**

#### **■ Article 7 *The Media Commission***

The Media Commission is an independent administrative committee under [the Minister].<sup>1)</sup> The Commission shall carry out supervision according to this Act and shall attend to day-to-day administration in the fields covered by the Act.

Decisions made by the Media Commission under this Act cannot be appealed to other administrative authorities.

The Commission's operating costs shall be borne by the Treasury.

In carrying out supervision of commercial offers which come under the supervision of other authorities according to separate legislation, the Media Commission shall seek collaboration on the division of responsibilities with those authorities.

The Media Commission shall enter into a collaboration agreement with the Consumer Protection Agency on matters that may fall under the province of both institutions.

<sup>1)</sup> Act No 126/2011, Article 541.

#### **■ Article 8 *Appointment of the Media Commission***

[The Minister]<sup>1)</sup> shall appoint five persons to the Media Commission for terms of four years at a time. Two representatives shall be appointed on the nomination of the Supreme Court of Iceland, one on the nomination of the standing Committee of the Rectors of Icelandic Higher Education Institutions and one on the nomination of the National Union of Icelandic Journalists; the fifth shall be appointed by the Minister without nomination. Alternate members shall be appointed in the same manner. The Minister shall appoint the chairman of the Commission, who must meet the requirements for serving as a district court judge. The deputy chairman shall be appointed from among the principal members. Other principal members, and their alternates, must either have expert knowledge of media issues or possess experience or educational qualifications that are relevant in this field. Commission member eligibility shall be determined by the provisions of the Administrative Procedures Act, No 37/1993. The Minister shall determine remuneration to the commission members.

Commission members must be legally and financially competent. They must have unblemished reputations and may not have been sentenced by a court for criminal activities under the General Penal Code or the provisions of separate criminal statutes in connection with business operations.

The Media Commission shall lay down its own working rules,<sup>2)</sup> which shall be published in Series B of the Law and Ministerial Gazette.

<sup>1)</sup> Act No 126/2011, Article 541. <sup>2)</sup> Working Rules No 1363/2011.

#### **■ Article 9 *Media Commission staff***

The Media Commission may engage a manager and other staff to carry out, on its behalf, the day-to-day functions and control of the tasks entrusted to it under this Act. The manager shall be responsible for the finances of the Commission. The manager must have a university degree and have specialist knowledge of media matters. The wages and terms of service of the staff shall be in accordance with civil servants' collective agreements and the Media Commission shall issue members of the staff with their job descriptions.

■ **Article 10** *Media Commission activities*

The Media Commission's activities shall be aimed at ensuring the achievement of the objectives and purpose of this Act. It shall strive to enhance media literacy, media diversity and pluralism, and defend freedom of expression and of the right to information. In particular, the Commission shall encourage respect for the protection of minors in accordance with the provisions of the Act.

The Media Commission shall execute the tasks entrusted to it according to law. Amongst other things, the Commission shall:

a. Ensure that media service providers under Icelandic jurisdiction comply with the provisions of this Act; it shall make decisions in matters covered by the Act and apply penalties when appropriate;

b. Monitor the status of and developments on the media market and collect data relating to this;

c. Handle communications with comparable authorities in other EEA Member States and international organizations regarding matters within the scope of its operations;

d. Monitor registration obligations, the granting of licences to provide audiovisual media services and ensure that the information specified by law on all the media service providers covered by this Act is to hand; and

e. Monitor the content and presentation of audiovisual commercial communications and of commercial communications in printed media and electronic text media.

■ **Article 11** *Procedural rules*

Complaints arising from alleged violations of the provisions of this Act shall be submitted to the Media Commission. The Commission shall decide whether complaints received give sufficient occasion for further treatment. When dealing with matters under the Act, the Commission may rank them in order of priority. Furthermore, the Commission may look into matters at its own initiative.

The Media Commission shall, as quickly as possible, make decisions on matters that are submitted to it.

[The Media Commission may close any case concerning a breach of the provisions of this Act by issuing an opinion. This applies equally to cases referred to the Commission and to its own-initiative cases.]<sup>1)</sup>

The Media Commission shall, as appropriate, observe confidentiality in the handling of information and content which it gathers, or which are submitted to it, under this Act regarding the standing and internal affairs of individual media service providers. The same confidentiality shall apply if the Commission submits the information to other comparable administrative institutions handling media matters within the European Economic Area. Measures shall be taken to ensure that statistical data cannot be traced to individual media service providers.

<sup>1)</sup> Act No 54/2013, Article 4.

■ **Article 12** *Special investigative powers*

The Media Commission may require media service providers to submit written information and other documents in connection with alleged violations of this Act, in which case such information and documents shall be submitted before an appropriate deadline set by the Commission.

When investigating alleged violations of the provisions of Section VI, on commercial communications and teleshopping, the Media Commission may carry out necessary examinations at a media service provider's place of establishment, or any place where documents are kept, when there are strong reasons for believing that a violation of the aforementioned provisions has taken place. When carrying out such measures, the provisions

of the Code of Criminal Procedure shall be observed regarding searches and the seizure of items.

■ **Article 13** *Exchange of information*

The Media Commission is required to forward to the authorities of other Member States of the European Economic Area, and to the European Commission or, as appropriate, the EFTA Surveillance Authority, information and documents considered necessary in the application of this Act in accordance with Iceland's undertakings under the Agreement on the European Economic Area.

When information and documents are forwarded conditions shall be placed, as appropriate, to ensure that:

- a. The information and documents will be treated in confidence by the recipient;
- b. The information and documents will only be used for the purposes specified in the Agreement on the European Economic Area and in accordance with the request made for the information; and
- c. The information and documents will only be forwarded to third parties with the approval of the Media Commission and for the purpose specified.

**Section IV. Registration of media, licences to provide audiovisual media services, transparency, provision of information, etc.**

■ **Article 14** *Registration of media*

All activities covered by the scope of this Act and not subject to the issue of a licence shall be subject to a registration requirement. A media service provider not engaged in audiovisual media services which are subject to a licence requirement shall notify the Media Commission of its operations before they commence.

[Notifications as provided for under the first paragraph must be in writing and shall include information on the media service provider concerned, including its name, national ID number, legal domicile, email address and website, the name of the media outlet(s) operated, the responsible editor, the representative, the editorial or programming policy, the call-sign (where appropriate) and the ownership structure.]<sup>1)</sup>

The responsible editor of the media service provider must be domiciled in Iceland and be legally and financially competent. [The representative of the media service provider must be a citizen of an EEA Member State and be legally and financially competent.]<sup>1)</sup>

Media service providers shall inform the Media Commission of any changes to their circumstances that may occur and that have a bearing on the information on which their notifications under the second paragraph are based.

<sup>1)</sup> Act No 54/2013, Article 5.

■ **Article 15** *Retransmission of foreign audiovisual broadcasts*

Notification shall be given to the Media Commission of audiovisual content which is retransmitted from abroad by media service providers covered by this Act. Notification shall be made in writing, stating the name of the foreign media service provider in each instance, its address, email address, website and call-sign. Information regarding the editorial responsibility, programming policy and ownership of the media service provider concerned shall also be given if it is available.

■ **Article 16** *Licences to provide audiovisual media services*

A licence from the Media Commission shall be required for the provision by a media service provider subject to the jurisdiction of the Icelandic state of audiovisual services which require the allocation of a transmission frequency by the Post and Telecom Administration, unless otherwise provided by law.

The Media Commission may issue a temporary licence [to a media service provider]<sup>1)</sup> to provide audiovisual media services, either a general licence for up to seven years at a time, or

a short-term licence for a maximum of three months. Licences are either nation-wide licences or local ones, i.e. restricted to specific regions.

<sup>1)</sup> Act No 54/2013, Article 6.

■ **Article 17** *Applications for licences to provide audiovisual media services*

□ Applications for general licences to provide audiovisual media services shall be made in writing, and shall contain the following information, as appropriate:

- a. The applicant's name, national ID number, legal domicile, email address and website;
- b. [The names and addresses of the responsible editor and of the representative;]<sup>1)</sup>
- c. The proposed programming policy;
- d. The call-sign;
- e. Other media activities pursued by the applicant;
- f. [The ownership and control of the media service provider;]<sup>1)</sup>
- g. Whether the application concerns a licence to provide audio or audiovisual content in a foreign language, and if so, then the reason for this;
- h. Whether the application concerns a nation-wide licence or a local one;
- i. Whether the required permission has been obtained from the holders of copyright of the content;
- j. The proposed starting date for the audiovisual service;
- k. The length of time for which the licence is sought.

□ Applications for short-term licences to provide audiovisual media services shall also be made in writing and shall contain the same information as is specified in the first paragraph, with the exception of that specified in points e and f.

□ [Applications for a general licence shall be accompanied by certificates testifying to the domicile and legal and financial competence of the applicant and of the responsible editor and, where appropriate, a certificate from the Enterprise Registry confirming the establishment and continued existence of the company.]<sup>1)</sup>

□ [The Media Commission must be provided with any document or information necessary to trace ownership and/or control back to natural persons, publicly-owned companies, public bodies and/or entities providing services on behalf of public bodies; the Commission may at any time require the submission of such information. This provision also applies in cases of registration pursuant to Article 14 or change of ownership pursuant to Article 22.]<sup>1)</sup>

□ Applicants for licences shall be established in an EEA Member State. Authorisations provided to other parties to operate audiovisual media services shall be governed by the Act on Investment by Non-residents in Business Enterprises.

<sup>1)</sup> Act No 54/2013, Article 7.

■ **Article 18** *Processing of applications for licences to provide audiovisual media services*

□ Before adopting a position on a licence application, the Media Commission shall seek the comments of the Post and Telecom Administration regarding available frequencies and radiated power. After receiving these comments, the Commission shall decide whether the licence should be granted.

□ Where a licence to provide audiovisual media services is granted, the conditions of the licence shall state the identity of the licensee, whether the licence is for audio or audiovisual services, its geographic scope, its term of validity, the call-sign, the programming policy of the media service provider concerned and other matters of possible relevance.

□ The Post and Telecom Administration shall allocate transmission frequencies in accordance with international agreements to those that have been granted licences, specifying the technical properties, e.g. regarding frequency and radiated power, in accordance with established rules and international agreements.

■ **Article 19** *Licensees' special obligations*

Media service providers may raise income by means of broadcasting fees, subscriptions, commercial communications, teleshopping and the sale or rental of products relating to their programme content.

The operations, bookkeeping and finances associated with the activities for which a licence is required shall be kept separate from the licensee's other operations and finances. The Media Commission may demand information from the licensee's books and accounts, if this is considered necessary, to establish whether the provisions of laws or regulations, or the conditions of the licence, have been violated. Principal and alternate Commission members shall be bound by an obligation of secrecy in regard to any confidential information.

Licences to provide audiovisual media services may not be reassigned, hired out or transferred in any other manner to a third party. If a licensee's estate is taken into liquidation and/or if the responsible editor does not meet the requirements stated in Article 17, third paragraph, the licence shall expire immediately.

■ **Article 20** *Amendment of licence conditions – renewal and withdrawal of licences*

Media service providers shall inform the Media Commission of all changes to their circumstances that may occur during the term of the licence and have a bearing on the information on which their applications were based under Article 17 of this Act.

A licensee wishing to have the conditions of the licence amended shall submit a special application to that effect to the Media Commission.

A licensee wishing to have a licence renewed must apply to the Media Commission not later than two months before the current licence is due to expire.

If the licensee has not begun operations within six months of the date stated pursuant to Article 17, first paragraph, point j, the licence shall expire automatically. If operations are suspended and not resumed within four months, the licence shall be considered as having expired automatically. Licensees must inform the Media Commission when their operations are permanently terminated.

■ **Article 21** *Information on the Media Commission's website*

The following information shall be published on the Media Commission's website:

a. The name of any party that has given notice of its activities or received a licence, its national ID number, legal domicile, email address and website, and, where appropriate, the term of the licence;

b. The name of the responsible editor;

c. The programming policy, and subsequent notices of amendments thereto;

d. Editorial policy in the case of print and electronic text media and subsequent notices of amendments thereto;

e. The ownership structure of the media service provider;

f. The media service provider's rules regarding editorial independence;

g. The media service provider's gender equality plan, as appropriate; and

h. The decisions of the Media Commission on matters involving media service providers;

however, sensitive information about private persons as well as information regarding important financial and commercial interests of legal persons shall be omitted from the published decision where maintaining the confidentiality of such information is justified and reasonable.

■ **Article 22** *Obligation to report changes in the ownership structure of media service providers*

In the case of the sale of shares in a media service provider, the seller and the purchaser shall be responsible for notifying the sale to the Media Commission. The notification must have been received by the Commission within two working days of the conclusion of the

purchase contract. This provision shall not apply in the case of a board of a limited company having made a contract with a securities depository in accordance with the third paragraph.

Following each annual general meeting in private limited companies and limited companies that are subject to registration requirements under this Act or hold licences to provide audiovisual media services, the board of the company must provide the Media Commission with the company's register of shareholders within four working days of the meeting. This provision shall not apply in the case of a board of a limited company having made a contract with a securities depository in accordance with the third paragraph.

The board of a limited company that is subject to registration requirements or holds a licence to provide audiovisual media services under this Act and whose shares are registered in a securities depository may make a contract with the securities depository by which it will send daily updates of the company's register of shareholders to the Media Commission.

■ **Article 23** *Reporting by media service providers*

All media service providers shall be obliged to submit an annual report to the Media Commission containing information on the following, as appropriate:

- a. The proportion of European audiovisual works in their linear programme schedule;
- b. The proportion of European audiovisual works from independent producers in their linear programme schedule;
- c. The proportion of Icelandic audiovisual works in their linear programme schedule;
- d. The proportion of orders of European audiovisual works in their non-linear (on-demand) catalogue;
- e. The proportion of orders of audiovisual works by independent producers in their non-linear (on-demand) catalogue;
- f. The proportion of orders of Icelandic audiovisual works their non-linear (on-demand) catalogue;
- g. Measures taken by the media service provider concerned to promote the publicising of, and access to, European audiovisual works;
- h. Measures taken by the media service provider to expand access by persons with restricted sight and hearing to its audiovisual content;
- i. Presentation of the genders, including the proportion of men and women among persons interviewed in news and current-affairs programming;
- j. The staff of the media outlet, with numbers of women and men, itemised by job designation;
- k. Measures taken by the media service provider to counter stereotyped gender images; and
- l. Other matters which are necessary to assess the situation and trends on the market for audiovisual media services.

Media service providers with short-term licences as provided for in Article 16, second paragraph, shall be exempt from the requirement to submit reports.

Media service providers shall submit their reports, as provided for in the first paragraph, to the Media Commission not later than 31 March each year in respect of the previous year.

Under special circumstances, all media service providers shall be obliged, following a request by the Media Commission, to submit the information specified in the first paragraph by a reasonable deadline set by the Commission.

The Media Commission may impose the requirement that a professionally accredited certification body approve reports submitted by media service providers under the first and third paragraphs. The Commission shall pay the expenses resulting from the work of the certification body.

Certification bodies and their employees shall be bound by an obligation of secrecy in regard to any confidential information of which they become aware in the course of carrying out project work under the fifth paragraph. The obligation of secrecy shall be governed by

Article 18 of the Government Employees Act, No 70/1996, and violations thereof shall be punishable under Article 136 of the General Penal Code, No 19/1940.

## **Section V. Rights and obligations of media service providers**

### **■ Article 24** *Editorial independence*

Media service providers shall lay down their own rules regarding the editorial independence of those of their staff who are involved with news and current-affairs programming. Such rules shall be compiled in consultation with the employees concerned and their professional associations or trade unions.

[Rules on editorial independence shall include provisions on:

a. The working conditions experienced by the relevant journalists and news reporters employed by text and audiovisual media entities, including those with managerial responsibilities, when executing the media service provider's editorial or programming policy;

b. The procedures put in place to safeguard the editorial independence of the journalists and news reporters concerned, including those with managerial responsibilities, *vis-à-vis* the owners of the media service provider; and

c. The conditions for cautioning and dismissing the journalists and news reporters concerned, including those with managerial responsibilities.]<sup>1)</sup>

Rules on editorial independence shall be submitted to the Media Commission for approval [and shall be published on the relevant media service provider's website].<sup>1)</sup>

Rules on editorial independence shall be reviewed every year. The Media Commission shall be informed when the review has taken place, and the new version of the rules shall be submitted to it for approval if changes have been made.

<sup>1)</sup> Act No 54/2013, Article 8.

### **■ Article 25** *Protection of sources*

The employees of media service providers which have been issued with a licence or have been registered with the Media Commission may not reveal the identity of the source on which an article, publication, report, announcement or other content is based, irrespective of whether it has been published or not, if the source or author has requested anonymity. Also, the employees of the media service provider may not release documents containing information about a source or author in such instances.

The prohibition contained in the first paragraph shall also apply to those who, through their connections with the media service provider or the production of content, have become aware of the identity of the source or author, or who are in possession of documents relating thereto.

The protection of anonymity provided by the first and second paragraphs may only be lifted with the consent of the source or author concerned, or under Article 119 of the Code of Criminal Procedure, No 88/2008.

### **■ Article 26** *Democratic principles*

Media service providers shall, in all their activities, uphold democratic principles and ensure freedom of expression. [They shall respect human rights and equality as well as the right to personal privacy, except in cases where the media service provider's democratic role and the right of the public to information dictate otherwise.]<sup>1)</sup> Media service providers shall take care to meet requirements regarding impartiality and accuracy [in news and current-affairs content]<sup>1)</sup> and ensure that a variety of opinions is expressed, including both those of men and women.

A media service provider that has a declared policy of serving a particular cause shall not be obliged to broadcast programme content which conflicts with its policy.

<sup>1)</sup> Act No 54/2013, Article 9.

■ **Article 27** *Prohibition against hate speech and incitement to criminal activity*

[Media outlets may not encourage criminal activity. Moreover, they may not engage in direct incitement of hatred on grounds of race, sex, sexual orientation, religious belief, nationality, cultural, economic or social situation or other standing in society.]<sup>1)</sup>

<sup>1)</sup> *Act No 54/2013, Article 10.*

■ **Article 28** *Protection of minors against harmful content*

Audio and audiovisual media service providers may not transmit content, including commercial communication and teleshopping, which is likely to harm the physical, mental or moral development of minors; in particular this refers to content involving pornography or gratuitous violence.

The following exemptions may be made from the prohibition contained in the first paragraph:

a. [After 10 pm Friday and Saturday nights and after 9 pm all other nights of the week and until 5 am each morning, content which is not considered suitable for minors may be transmitted in a linear schedule provided that it is preceded by a clear warning and, in the case of audiovisual transmission, that it is identified by a visual symbol displayed throughout the duration of the transmission;]<sup>1)</sup>

b. Content that is not considered suitable for minors may be transmitted in a linear schedule provided that the appropriate technical measures are taken to ensure that the transmission will not reach minors;

c. On-demand audiovisual media content which is not considered suitable for minors may be transmitted on the condition that appropriate technical measures are taken to ensure that minors will not have access to it;

d. News and current-affairs programming not considered suitable for minors may be transmitted on the condition that it constitutes a necessary part of the news service of the media outlet in question and that it is preceded by a clear warning and, in the case of audiovisual content, that it is characterised by a visual marking displayed throughout the transmission where this is possible.

The exemptions provided for in points a and b of the second paragraph shall not apply to audiovisual content which is likely to seriously harm the physical, mental or moral development of minors.

Other media service providers shall strive to ensure that content which is likely to harm the physical, mental or moral development of minors is not accessible to, or made available to, them.

<sup>1)</sup> *Act No 54/2013, Article 11.*

■ **Article 29** *Voice-overs and subtitling in Icelandic*

Media service providers shall promote the Icelandic language as appropriate in each case. Media carrying sound and text in Icelandic shall establish their own language policy for this purpose. However, the operation of media using other languages than Icelandic shall be permitted in Iceland.

Audiovisual content in foreign languages, whether made available in a linear schedule or on demand, shall always be accompanied by dubbing, voice-over or subtitles in Icelandic, as appropriate in each case. However, this shall not apply to song lyrics in a foreign language or to the live transmission via satellite and ground station of news or current affairs programmes dealing largely with events as they take place. In such cases the media service provider shall, where possible, provide a recapitulation or presentation in Icelandic of the events that have taken place.

The provisions of the second paragraph shall not apply to retransmissions from foreign television stations provided that what is broadcast is a continuous, unabridged and unaltered retransmission of the full programme of a television station. Nor shall the provisions of the

second paragraph apply when the audio or audiovisual media outlet is operated in a language other than Icelandic, *cf.* the first paragraph.

■ **Article 30** *Access by persons with impaired sight and hearing to audiovisual content*

□ Audiovisual media service providers shall, as far as possible, seek to make their services accessible to persons with impaired sight or hearing and to people with developmental disorders. Measures to ensure such access include sign language, subtitling and verbal descriptions.

■ **Article 31** *Obligations to safeguard the public interest*

□ Media service providers shall be obliged to transmit, free of charge, announcements from civil protection and law enforcement authorities, emergency prevention associations and rescue teams, and to interrupt linear services if necessary.

■ **Article 32** *Identification obligations*

□ Audio and audiovisual media service providers transmitting content as part of a linear schedule shall be obliged to display their name or other distinguishing mark, in the case of audiovisual services, and announce their name, in the case of audio services. Identification of this type shall occur at least once in every 30 minutes of transmission where possible.

□ The catalogue of a media service provider operating on-demand audio or audiovisual services shall include information on the identity of the service provider.

□ Media service providers distributing printed text content shall be named in every copy; this also applies to the editor, where one has been engaged.

□ Media service providers distributing electronic text content shall identify themselves in a satisfactory manner in the media outlet in question; this also applies to the editor, if one has been engaged.

■ **Article 33** *Offer of audiovisual media content*

□ Audiovisual media service providers transmitting content as part of a linear schedule shall strive to have the greater part of their transmission time devoted to Icelandic and other European programmes. ‘Transmission time’ in this context refers to their total transmission time less the time devoted to news, sporting events, games, advertisements, teletext services and teleshopping.

□ Audiovisual media service providers transmitting on-demand content shall ensure to the extent possible, using suitable methods, that Icelandic and other European works constitute a prominent part of the content they offer.

■ **Article 34** *Programme content from independent producers*

□ Audiovisual media service providers transmitting content as part of a linear schedule shall, as far as possible, ensure that every year at least 10 per cent of their transmission time, as defined in Article 33, first paragraph, second sentence, or at least 10 per cent of their programming budget is devoted to European works produced by independent producers.

■ **Article 35** *Obligation to preserve media content*

□ Media service providers shall preserve recordings of all original content for at least 18 months unless this violates the rights of the copyright holders. The period referred to in the first sentence of this paragraph shall run from the date when the content is first made available.

■ **Article 36** *Right of reply*

□ Those who consider that they have suffered damaged to their legitimate interests, and in particular their reputation and good name, as a consequence of the distortion of facts in a media outlet shall have the right to reply in the media outlet concerned or to another equivalent remedy. Replies shall be published or made available immediately after reasons have been advanced in support of a request to this effect. Replies shall be published or presented, irrespective of the form of the media outlet, in such a manner as to command

attention. The media service provider may not seek payment for publishing the reply or making it available.

Media service providers may reject a request to reply where:

- a. the reply exceeds the time considered necessary to rectify the facts of the case;
- b. the reply contains other content and/or more content than that which rectifies the facts that have been publicised by the media service provider;
- c. the reply contains content that violates the General Penal Code and is of such a nature as to involve the media service provider in compensatory liability, or is contrary to public morals;
- d. the reply infringes the legally protected interests of a third party;
- e. the interested parties are unable to demonstrate that they have personal legally protected interests at stake, or
- f. the information broadcast by the media service provider consists of direct citations of content originating from government authorities or courts of law.

A rejection under the second paragraph shall be announced to the party in question within 72 hours of the submission of the request to make a reply.

If a media service provider rejects a request to make a reply under the second paragraph or fails to respond to a party's request within the time limit stated there, the party in question may refer the matter to the Media Commission, which shall decide whether or not to grant the party right of reply. The Commission shall render its decision within a week of receiving the request and shall require the media service provider concerned to communicate the reply without delay where appropriate.

Those who consider that their rights have been violated and who are entitled to make a reply under the first and second paragraphs shall be provided, free of charge, with a copy of the content in question. Disputes regarding entitlement to content according to this paragraph may also be referred to the Media Commission for a decision.

Media service providers shall indicate on their website or in another public manner where parties may apply if they consider that their lawful interests have been damaged. The name, telephone number and/or email address of the media service provider's contact person shall be indicated.

## **Section VI. Commercial communications and teleshopping**

### **■ Article 37** *General principles*

Commercial communications must be readily recognizable as such and must be clearly differentiated from other content in the manner best suited to the medium employed in each individual instance. The same shall apply to teleshopping.

Surreptitious audiovisual commercial communications shall be prohibited. Audiovisual commercial communications must not employ subliminal techniques.

Commercial communications and teleshopping may not:

- a. Prejudice respect for human dignity;
- b. Include or promote any discrimination based on gender, racial or ethnic origin, nationality, religion or belief, disability, age or sexual orientation;
- c. Encourage behaviour prejudicial to health or safety;
- d. Encourage behaviour grossly prejudicial to the protection of the environment.

Commercial communications and teleshopping for tobacco products and alcoholic beverages, as well as the operation of lotteries or betting which is not licenced under Icelandic law, shall be prohibited. The same applies to commercial communications for medicinal drugs for which prescriptions are required, as specified in the Medicinal Products Act. It must be possible to produce evidence in support of assertions made in commercial communications and teleshopping spots for non-alcoholic beverages.

■ **Article 38** *Protection of minors against inappropriate commercial communications and teleshopping*

Commercial communications and teleshopping shall be of such nature as not to cause moral or physical damage to minors. Commercial communications and teleshopping may not be used to:

- a. Exhort minors to buy a product or service by exploiting their inexperience or credulity;
- b. Encourage them to persuade their parents or others to purchase the goods or services being advertised;
- c. Encourage minors to consume foods and beverages containing nutrients or substances with a nutritional and physiological effect, excessive intakes of which in the overall diet are not recommended, in particular fat, trans-fatty acids, salt/sodium and sugars;
- d. Exploit the special trust minors place in parents, teachers or other persons; or
- e. Unreasonably show minors in dangerous situations.

■ **Article 39** *Product placement in audiovisual content*

Product placement shall be permitted in cinematographic works, films and series made for audiovisual media services, sports programmes and light entertainment programmes.

Product placement shall also be permitted where there is no payment but only the provision of certain goods or services free of charge, such as production props and prizes, with a view to their inclusion in a programme.

Product placement in return for payment shall at no time be permitted in audiovisual media content that is intended for minors.

Audiovisual media content containing product placement shall meet all of the following requirements:

- a. The product placement may not affect the substance of the audiovisual media content in other respects or affect the responsibility and editorial independence of the media service provider;
- b. It may not give direct encouragement to the purchase or hire of products or services;
- c. The product or service in question shall not be presented with undue prominence;
- d. Viewers shall be clearly informed of the existence of product placement, including by appropriately identifying programmes containing product placement at the start and the end of the programme, and when a programme resumes after an advertising break.

If the media service provider itself has neither produced nor commissioned the audiovisual media content in question, and it has not been produced by a company affiliated to it, the identification requirements provided for in point d of the fourth paragraph may be waived.

■ **Article 40** *Virtual advertising*

Virtual advertising shall be permitted in audiovisual content if the following conditions are met:

a. The positioning of the advertisement is a normal part of the environment of the programme in question and does not interfere with viewers' ability to follow the progress of the programme;

b. The advertisement neither conflicts with the content of the programme nor compromises the rights of copyright holders; and

c. Viewers are clearly informed about the presence of virtual advertising in the programme in question and about the advertiser, including by appropriately identifying virtual advertisements at the beginning and at the end of the programme and when the programme resumes after an advertising break.

However, virtual advertising shall at no time be permitted in audiovisual media content intended for minors.

■ **Article 41** *Timing of advertisements and teleshopping spots*

Advertisements and teleshopping spots may be inserted in programmes in such a way as not to disrupt their flow, taking into account natural breaks in, and the duration and nature of, the programme and the rights of copyright holders.

The proportion of advertisements and teleshopping spots within each hour of audiovisual broadcasting shall not exceed 20 per cent. For the purpose of this provision, the following shall not be considered advertisements:

a. Announcements by the media service provider concerning its own audiovisual media content and ancillary products derived directly from those programmes, sponsorship announcements and product placement announcements as well as virtual advertising;

b. Announcements concerning public services and appeals for assistance from charitable organisations which are broadcast free of charge.

Without prejudice to the provisions of the first paragraph it shall be prohibited to interrupt the transmission of films made for television (with the exception of series, serials and documentaries), cinematographic works and news programmes by advertisements and/or teleshopping spots more than once in each scheduled period of at least 30 minutes.

Religious services and comparable religious ceremonies, and news bulletins, may not be interrupted by advertisements or teleshopping spots.

Advertisements and teleshopping spots shall not be permitted in a programme intended for children under the age of 12. This prohibition shall become effective 5 minutes before the beginning of programme schedules intended for children under the age of 12 and shall cease 5 minutes after the end of the transmission of such programme schedules.

■ **Article 42** *Sponsorship*

Media service providers may arrange sponsorship for the production and purchase of audiovisual media content, provided that the sponsor does not influence the content, presentation and/or scheduling of sponsored programmes and does not interfere with the responsibility or editorial independence of the media service provider.

News broadcasts and current-affairs programming may not be sponsored.

Sponsored content may not include an encouragement to purchase or hire the products and services of the sponsor or of another party, e.g. by specially promoting such products or services.

Sponsored audiovisual media content shall be clearly identified as such by an introduction, the name, trademark or other distinguishing mark of the sponsor or by another means best suited to the medium employed. This identification shall be made at the beginning of a programme, during the course of the programme and/or at the end.

Parties other than the media service provider may not sponsor the overall programme schedule of the media outlet, though this does not apply to individual programmes.

■ **Article 43** *Audiovisual media services devoted exclusively to advertising, teleshopping and self-promotion, and teleshopping windows*

The provisions of this Act shall apply, *mutatis mutandis*, to audiovisual media services which are devoted exclusively to advertising, teleshopping or self-promotion. However, the provisions of Articles 33, 34 and 41 of the Act shall not apply to such services.

The following provisions shall apply to teleshopping windows in an audiovisual media service that is not exclusively devoted to teleshopping:

a. They shall last for at least 15 minutes without interruption;

b. They shall be clearly identified by means of a visual sign, an audio marker or by another means best suited to the medium employed.

The Door-to-Door Sales and Distance Contracts Act shall apply, as appropriate, to teleshopping as defined under this Act.

## **Section VII. Rules on the transmission of audiovisual media content**

### **■ Article 44 *Must-carry obligation***

An electronic communications undertaking operating an ordinary digital telecommunications network which is used to transmit television broadcasts shall be obliged to comply with normal and reasonable requests by media service providers to transmit television broadcasts, provided that the following conditions are met:

- a. The content for which transmission through a network is sought is the television broadcast of a media service provider established in Iceland under this Act, excluding television broadcasts exclusively devoted to teleshopping;
- b. The television broadcast is transmitted in real time and is of standard digital quality; and
- c. A considerable proportion of the consumers in the country, or in a specific region, use the electronic communications network in question to receive television broadcasts.

Even when the conditions of the first paragraph are met, the electronic communications undertaking shall only be obliged to carry television broadcasts under this provision up to one-third of the transmission capacity of the electronic communications network in question. If requests for transmission are in excess of the capacity of the electronic communications network, the undertaking shall transmit those television broadcasts that have the highest viewing figures. At all times, however, television broadcasts by the Icelandic National Broadcasting Service (RÚV) shall be transmitted if this is requested.

The media service provider shall arrange for the broadcasting signal to be delivered to the electronic communications undertaking's connection point in the appropriate format.

### **■ Article 45 *Must-offer obligation***

Media service providers shall be obliged to comply with normal and reasonable requests that an electronic communications undertaking be permitted to carry television broadcasts on its digital electronic communications network, provided that the following conditions are met:

a. That the transmission of television broadcasts to consumers via the electronic communications network in question is effected with satisfactory quality, and also with sufficient security, as to defend the legally protected interests of the holders of copyright in the content transmitted. In the case of a paid-access television transmission, it must be possible to apply access control. The Post and Telecom Administration shall lay down rules on minimum requirements regarding the quality and security of transmissions;

b. That the content which permission is being sought to carry on an electronic communications network consists of an Icelandic television broadcast by an media service provider established in Iceland under this Act, or a foreign television broadcast for which an Icelandic media service provider has concluded an exclusive contract, or a broadcast of coverage of particular events which does not constitute an entire programme as provided for above, e.g. sporting or artistic events;

c. That the provisions of contracts with the holders of copyright in the content entered into prior to the entry into force of this Act do not prevent the carrying of the content on the electronic communications network.

The provisions of the first paragraph shall also apply to deferred television transmissions, transmissions according to high-definition standards or other standards which require considerably greater bandwidth.

If the media service provider holds a local licence, the must-offer obligation under this Article shall not extend beyond the region covered by the local licence.

When purchasing television content, media service providers shall be obliged to negotiate with copyright holders so as to ensure that the television content may be transmitted on all digital electronic communications networks that meet the conditions of point a of the first paragraph.

Media service providers may not direct their customers' business to an affiliated electronic communications network.

[Media service providers holding exclusive rights to television broadcasts from national and international events of high interest to the public must provide access to such television broadcasts to other media service providers broadcasting audiovisual content and established in the European Economic Area by allowing them to freely choose short extracts from the broadcasts.

These short extracts shall be used solely for general news programmes as well as in on-demand audiovisual media services in cases where the same programme is offered on a deferred basis by the same media service provider.]<sup>1)</sup>

<sup>1)</sup> Act No 54/2013, Article 12.

■ **Article 46** *Procedure and application*

Where a contract is sought for the transmission of a television broadcast covered by Article 44 or 45, the media service provider and the electronic communications network shall conclude the contract as soon as possible. When drawing up contracts no discrimination shall take place regarding the carriage of television broadcasts under Articles 44 and 45 and regarding the application of those articles. Negotiation partners shall be offered the same terms for the same types of transaction and shall be provided with services and information on the same conditions, and of the same quality, as apply in transactions with the relevant entity's own service departments, subsidiaries or partners. Where an electronic communications undertaking carries a television broadcast on the basis of a contract or a decision, the electronic communications undertaking must not discriminate between Icelandic television broadcasts and must make all such broadcasts equally accessible to users. The electronic communications undertaking shall also ensure that television broadcasts in Icelandic have priority, being ranked in front of foreign retransmission channels in the order on the remote control. However, this provision shall not apply to television broadcasts which are to be operated for periods shorter than one year and television broadcasts that are devoted exclusively to teleshopping.

If no contract is concluded regarding transmission, or if a dispute arises concerning transmission at a later stage, parties may refer the matter to the Post and Telecom Administration. The Administration shall then seek to mediate a solution between the parties. If no solution can be effected, the dispute shall be resolved by a decision as quickly as possible. Before making a decision, the Post and Telecom Administration shall seek the opinion of the Media Commission.

Where the Post and Telecom Administration authorises the transmission and the parties do not agree on the collection of subscription fees, the Administration may decide, at the demand of a party, whether the collection of subscription fees is to be in the hands of the media service provider or the electronic communications undertaking. In the same way, the Post and Telecom Administration may determine fees in conformity with the further provisions of Article 47. When making its assessment, the Administration shall take account of factors including efficiency, consumers' interests and the enhancement of competition, giving due regard to the principle of proportionality. Before the decision is made, the Administration shall seek the opinion of the Media Commission.

The Post and Telecom Administration may make a provisional decision if there is a risk that a delay in making a decision would cause a party to the case to sustain loss of rights or substantial financial damage. Provisional decisions shall be valid for a specified length of time, and may be extended if this is considered necessary. A final decision shall be made as quickly as possible.

For the processing of cases under this Article, parties shall be obliged to provide the Post and Telecom Administration with all the information and documents it considers necessary.

The decisions of the Post and Telecom Administration under this Article may be referred to the Post and Telecommunications Resolution Committee or to a court of law as provided for in Article 13 of the Post and Telecommunications Act, No 69/2003.

At three-year intervals, the Media Commission shall conduct a survey of public access to television broadcasts and assess whether the situation calls for amendments to the provisions of this Section regarding the 'must-carry' and 'must-offer' obligations.

■ **Article 47** *Determination of fees for the transmission of audiovisual content*

If the relevant parties do not reach an agreement, the Post and Telecom Administration may decide whether the electronic communications undertaking or the media service provider is to receive payments for audiovisual transmission or content, and the amounts to be paid. Fees to be paid for the transmission of television broadcasts shall be determined with reference to the initial and operating costs for equipment and services, depreciation, and appropriate return on capital invested taking account of the investment risk. When calculating costs, the Post and Telecom Administration may take as a frame of reference the operation of a comparable service which is considered as being efficiently run and tariffs of charges on comparable competitive markets, and may use cost-analysis methods that are independent of those used by the electronic communications undertaking concerned. The Administration may require the electronic communications undertaking to produce a cost model for calculating its fee. Transmission fees shall be determined based on factors including the bandwidth occupied by the television broadcast on the electronic communications network and the number of users of the service in question.

The Post and Telecom Administration may determine fees for various aspects of service associated with the transmission of television broadcasts and shall in doing so take account of the same considerations as regarding the transmission itself, as appropriate.

When determining fees for television transmission in cases where the 'must-offer' obligation applies and where the electronic communications undertaking controls the access system, the decision may be based on the cost of acquisition of the television content in question plus an appropriate mark-up, or on an appropriate discount from the price which the media service provider charges its own users.

A previously determined fee for transmission, or for television content, may be reviewed if either party so demands, citing reasons why a reassessment of the fee is necessary.

**Section VIII. Restriction of exclusive rights**

■ **Article 48** *Public access to audiovisual coverage of important events*

A regulation may provide that an media service provider's exclusive right to broadcast audiovisual coverage of events, domestic and foreign, which are considered as being of substantial importance for society may only be exercised in such a way as to allow the majority of the population an opportunity to observe the events in live or deferred transmission without incurring a special charge. The regulation shall contain an exhaustive and accurate list of the events to which the decision is intended to apply, and the decision regarding the events on the list shall be made with good notice. Furthermore, the regulation shall contain provisions stating whether the specified events are to be shown in their entirety or in part in live transmission, or in their entirety or in part in deferred transmission, if this is considered necessary or convenient in terms of the needs of the public, as well as on other matters on which it is considered necessary to make provisions.

A media service provider that acquires an exclusive right for Iceland and/or another EEA Member State to broadcast audiovisual coverage of an event listed in a regulation issued under the first paragraph must immediately report this to the Media Commission, which shall monitor the application of measures under this Article.

If the holder of an exclusive right offers another media service provider a permission to broadcast audiovisual coverage of an event in order to fulfil its obligation under the first paragraph, the fee to be charged shall be reasonable. In the event of a dispute regarding the fee, either party may seek the decision of the Media Commission on a reasonable fee for the permission. The Commission shall assess the fee with regard to what is regarded as a normal market price for the right in question on a competitive market.

If court proceedings are instituted for the annulment of a decision of the Media Commission under the third paragraph, the holder of the exclusive right shall nevertheless grant the media service provider concerned a permission for the transmission of audio or audiovisual coverage of the event in question provided that it submits a surety for the payment of the consideration which the Commission deems sufficient.

■ **Article 49** *Mutual recognition of the rules of EEA Member States*

Media service providers which are subject to Icelandic jurisdiction may only exercise their exclusive right to broadcast audiovisual coverage of events which another EEA Member State has determined are of substantial importance for society in that state in such a way as to allow the majority of the population of the state in question to observe the events on television without incurring a special charge.

Exclusive rights shall be exercised in accordance with the rules of the relevant EEA Member State regarding the broadcast, in its entirety or in part, and live or deferred coverage of the events.

The Media Commission shall monitor the application of any measures under this Article.

**Section IX. Liability, penalties, enforcement, etc.**

■ **Article 50** *Liability for audiovisual content*

Where audio or audiovisual content contravenes the law, ...<sup>1)</sup> criminal and compensatory liability shall apply as follows:

a. Individuals making statement in their own name, or presenting or conveying content of their own composition and/or presenting content by another party by their own decision, shall be liable for it if they are domiciled in Iceland or subject to Icelandic jurisdiction on other grounds;

b. The purchaser of an audio or audiovisual commercial communication, whether an individual or a legal person, shall be liable for its content if domiciled in Iceland or subject to Icelandic jurisdiction on other grounds;

c. [In other cases the responsibility for distributed content lies with the responsible editor of the media outlet in question.]<sup>1)</sup>

Media service providers shall be liable for the payment of fines and compensation payments that their employees may be ordered to pay under this Article.

Media service providers shall be obliged to provide all persons who consider that their rights have been prejudiced by the transmission of audiovisual content with information indicating who is liable for the content.

<sup>1)</sup> Act No 54/2013, Article 13.

■ **Article 51** *Liability for text content*

Where text content contravenes the law, ...<sup>1)</sup> criminal and compensatory liability shall apply as follows:

a. Individuals shall be liable for content which they write in their own name or with which they clearly identify themselves if they are domiciled in Iceland or subject to Icelandic jurisdiction on other grounds. If text content is correctly quoted as being that of named individuals, the persons quoted shall be liable for their own expressions if they have given consent for the communication thereof and are either domiciled in Iceland or subject to Icelandic jurisdiction on other grounds;

b. The purchaser of a commercial communication, whether an individual or a legal person, shall be liable for its content if domiciled in Iceland or subject to Icelandic jurisdiction on other grounds;

c. [In other cases the responsibility for distributed content lies with the responsible editor of the media outlet in question.]<sup>1)</sup>

Media service providers shall be liable for the payment of fines and compensation payments that their employees may be ordered to pay under this Article.

Media service providers shall be obliged to provide all persons who consider that their rights have been prejudiced by the publication of text content with information indicating who is liable for the content.

<sup>1)</sup> Act No 54/2013, Article 14.

■ **Article 52** *Prohibition of the transmission of audiovisual media content and revocation of audio and audiovisual broadcasting licences*

The Media Commission may prohibit the transmission of audiovisual content that is considered contrary to the provisions of law.

The Media Commission may revoke audio and audiovisual broadcasting licences due to violations of the provisions of this Act, provided that the violations are serious and repeated.

■ **Article 53** *Per diem fines*

The Media Commission may impose *per diem* fines of up to ISK 200,000 for each commenced day on any party who:

a. Neglects to comply with a decision of the Media Commission regarding the submission of written information and other content under Article 12, first paragraph;

b. Neglects to comply with a decision of the Media Commission regarding the submission of information from the books and accounts under Article 19;

c. Neglects to provide the Media Commission with the company's register of shareholders under Article 22, second paragraph;

d. Neglects to submit a report to the Media Commission under Article 23;

e. Neglects to comply with a decision of the Media Commission regarding the obligation to publish replies under Article 36, fourth paragraph, and the provision of content under Article 36, fifth paragraph, and fail to discharge their obligation to provide information under Article 36, sixth paragraph; or

f. Publishes or makes available content which the Media Commission has prohibited (*cf.* Article 52, first paragraph);

g. Neglects to lay down rules on the editorial independence of those of its employees who are involved with news and current-affairs programming under Article 24.

The Post and Telecom Administration may impose a *per diem* fine of up to ISK 200,000 for each commenced day on parties which:

a. Do not comply with the must-carry or must-offer rules under Article 46, second, third and fourth paragraphs; or

b. Neglect to provide information or documents under Article 46, fifth paragraph.

Decisions on *per diem* fines shall be announced in writing and in a verifiable manner to the party against whom they are made.

■ **Article 54** *Administrative fines*

The Media Commission shall impose administrative fines on [media service providers]<sup>1)</sup> in the event of violations of the following provisions:

a. Article 14, to the effect that activities subject to a registration requirement may not be pursued without notification, that a responsible editor shall be identified, and/or that changes to the circumstances of parties subject to the obligation to make notifications are to be reported;

b. Article 15, on the obligation to give notification of the intention to retransmit foreign audiovisual content;

c. Article 16, to the effect that activities subject to a licence may not be pursued without a licence;

[d. Article 17, regarding the submission of information on ownership and control;]<sup>1)</sup>

[e.]<sup>1)</sup> Article 19, second paragraph, regarding the separation of operations, bookkeeping and finances associated with the activities for which a licence is required from other operations, bookkeeping and finances;

[f.]<sup>1)</sup> Article 20, first paragraph, on changes to the circumstances of the licensee;

[g.]<sup>1)</sup> [Article 27, regarding the encouragement of criminal activity;]<sup>1)</sup>

[h.]<sup>1)</sup> Article 28, first, second and third paragraphs, on the protection of minors against harmful content;

[i.]<sup>1)</sup> Article 29, on voice-overs and subtitling in Icelandic;

[j.]<sup>1)</sup> Article 31, on obligations in terms of the public interest;

[k.]<sup>1)</sup> Article 32, on the obligation of media service providers to identify themselves;

[l.]<sup>1)</sup> Article 35, on the obligation to preserve media content;

[m.]<sup>1)</sup> Article 36, first and fourth paragraphs, on the right of reply;

[n.]<sup>1)</sup> Section VI, on commercial communications and teleshopping;

[o.]<sup>1)</sup> Article 49, on mutual recognition of the rules of EEA Member States;

[p.]<sup>1)</sup> Article 52, first paragraph, on the broadcasting of content which the Media Commission has prohibited;

[q.]<sup>1)</sup> Article 60, on unauthorised exploitation of media content;

[r.]<sup>1)</sup> Article 61, on unauthorised access to audiovisual media content.

The Media Commission shall impose administrative fines on both the seller and the purchaser if they turn out to have neglected to report a change of ownership of a share in a [media service provider]<sup>1)</sup> under Article 22, first paragraph.

The Post and Telecom Administration shall impose administrative fines on parties which violate the provisions of Article 45, fourth and/or fifth paragraphs, regarding the must-offer obligation.

The maximum fine under the first and third paragraphs shall be ISK 10 million. Fines shall be decided based on considerations including the gravity of the violation and any revenue it may have generated for the media service provider, where relevant.

Fines may be waived in cases where the violation is not considered significant or where a fine is not considered necessary for other reasons. In such cases the Media Commission may close the procedure by issuing an opinion, which shall be published on its website.

The Media Commission may decide on the publication of a decision, in its entirety or in part. Publication shall be effected in a manner, and to an extent, that can be considered fair. The party that committed the violation shall see to the publication and pay the cost thereof.

<sup>1)</sup> Act No 54/2013, Article 15.

#### ■ Article 55 Enforcement

The decisions of the Media Commission under this Act shall constitute final resolutions at the administrative level and may not be the subject of administrative appeals. A party who is unwilling to accept a decision by the Commission may institute annulment proceedings. Proceedings shall be instituted within six months of the date on which the party was informed of the Commission's decision. The institution of proceedings shall not defer the legal effects of the Commission's decision except under the circumstances described in the sixth paragraph.

The decisions of the Media Commission regarding administrative and per diem fines shall be enforceable. Proceeds from administrative and per diem fines shall accrue to the State Treasury after deduction of the cost of their collection.

- If administrative fines are not paid within a month of the Media Commission's decision, arrears interest shall be paid on the amount of the fine. The determination and calculation of arrears interest shall be subject to the Interest and Indexation Act.
- Administrative fines shall be imposed irrespective of whether the violation was purposeful or negligent.
- Per diem* fines that have not been collected shall not lapse even though the party complies at a later date with the obligations to which it was subject, unless the Media Commission makes a special decision to this effect.
- If proceedings are instituted to have a decision on *per diem* fines under Article 53, first or second paragraph, annulled within 14 days of the date on which the media service provider concerned was informed of the decision, and if the provider also requests priority treatment, then *per diem* fines may not be collected until judgement has been passed. Notwithstanding the institution of annulment proceedings against such a decision, *per diem* fines shall continue to be imposed on the media service provider.

■ **Article 56 Penalties**

- Where the responsible editor, the employees or the directors of a media service provider commit or cause others to commit violations of the following provisions of this Act, they shall be fined or imprisoned for up to six months in the case of serious offences:
  - a. Article 14, to the effect that activities subject to a registration requirement may not be pursued without notification, that a responsible editor shall be identified, and/or that changes to the circumstances of parties subject to the obligation to make notifications are to be reported;
  - b. Article 15, on the obligation to give notification of the intention to retransmit foreign audiovisual content;
  - c. Article 16, to the effect that activities subject to a licence may not be pursued without a licence;
  - d. Article 19, first paragraph, on the income of media services providers, and Article 19, second paragraph, regarding the separation of operations, bookkeeping and finances associated with the activities for which a licence is required from other operations, bookkeeping and finances;
  - e. Article 20, first paragraph, regarding changes to the circumstances of the licensee;
  - f. Article 25, on the protection of sources;
  - g. [Article 27, regarding the ban on incitement to hatred and encouragement of criminal activity;]<sup>1)</sup>
  - h. Article 28, first, second and third paragraphs, on the protection of minors against harmful content;
  - i. Article 29, on voice-overs and subtitling in Icelandic;
  - j. Article 31, on obligations in terms of the public interest;
  - k. Article 32, on the obligation of media service providers to identify themselves;
  - l. Article 35, on the obligation to preserve media content;
  - m. Article 36, first and fourth paragraphs, on the right of reply;
  - n. Section VI, on commercial communications and teleshopping;
  - o. Article 45, fourth and fifth paragraphs, on the must-offer obligation;
  - p. Article 49, on mutual recognition of the rules of EEA Member States;
  - q. Article 52, first paragraph, on the broadcasting of content which the Media Commission has prohibited;
  - r. Article 60, on unauthorised exploitation of media content;
  - s. Article 61, on unauthorised access to audiovisual media content.

Where a violation is committed in the course of the operations of a legal person, it may be subjected to a fine under Chapter IIa of the General Penal Code, No 19/1940.

<sup>1)</sup> Act No 54/2013, Article 16.

■ **Article 57** *Lodging of complaints with the police*

Violations of this Act shall only be investigated by the police following the lodging of a complaint by the Media Commission or, as appropriate, the Post and Telecom Administration.

If a violation of this Act involves criminal liability for both a natural and a legal person, the Media Commission or, as appropriate, the Post and Telecom Administration, shall decide whether, in view of the seriousness of the violation and law-enforcement considerations, the case is to be made the subject of a complaint to the police in part or in its entirety. If violations are serious, the relevant authority shall be obliged to refer them to the police. Consistency shall be observed in the handling of comparable cases.

Complaints lodged by these authorities shall be accompanied by copies of the documents on which the suspicion of a violation is based. The provisions of Sections IV to VII of the Administrative Procedures Act, No 37/1993, shall not apply to decisions to submit complaints about cases to the police.

A prosecutor who considers that there are insufficient grounds for instituting proceedings for alleged criminal activity which is also punishable by administrative penalties may send or return a case punishable under this Act, together with the associated documents, to the Media Commission or the Post and Telecom Administration, as appropriate, for treatment and ruling.

■ **Article 58** *Right to remain silent*

An individual who has the status of an accused is not obliged to answer questions in cases which may be concluded by the imposition of an administrative fine or a complaint to the police under the Code of Criminal Procedure, No 88/2008. The Media Commission or the Post and Telecom Administration, as appropriate, shall provide suspects with guidance regarding this right.

■ **Article 59** *Publication of judgments*

Where a court sentences a media service provider or other party who is liable for content under this Act to a punishment, declares a comment as null and void, or awards monetary compensation, it may be determined in the judgement, with *per diem* fines applying to non-compliance as requested by the injured party, that the court's findings and verdict be published (in the case of a text media outlet) or reported in programming (in the case of an audiovisual media outlet).

In the case of a text media outlet, the extract from the judgement shall be published in the same way as other content carried by the media outlet in question and in a conspicuous position; in the case of an audiovisual media outlet, it shall be reported when the numbers of listeners or viewers is greatest.

**Section X. Miscellaneous provisions**

■ **Article 60** *Unauthorised exploitation of media content*

Users of media may not exploit their content in order to obtain revenues in any way, e.g. by recording content, publishing it or making it available by other forms of distribution, except with the permission of the relevant holders of rights to the content.

■ **Article 61** *Unauthorised access to audiovisual media content*

It shall be prohibited to manufacture, deliver, rent, set up or repair a set-top box, receiver or other equipment in order to give a party who has not paid the subscription fee or other required consideration access to a paid-access broadcast or on-demand audiovisual media content.

It shall be prohibited to use a set-top box, receiver or other equipment in order to receive a paid-access broadcast or on-demand audiovisual media content without paying the subscription fee or other required consideration.

■ **Article 62** *Issuing of regulations*

[The Minister]<sup>1)</sup> may issue regulations containing more detailed provisions on the application of this Act in its entirety or of Sections thereof. Such regulations may, amongst other things, address the following aspects of the Act and elaborate on them:

a. Further instructions on the activities of the Media Commission, including procedural rules, see Section III of the Act;

b. Further instructions under Section IV of the Act, including on the registration of media service providers, the form and content of applications for licences to provide audiovisual media services, [the conditions]<sup>2)</sup> and formalities for issuing such licences, arrangements for mandatory notifications of amendments to operations and the operational basis of media service providers, including the form and content of notifications of changes in their ownership structure under Article 22; the form of information presented on the Media Commission's website and provision of information under Article 23;

c. Individual obligations and rights of media service providers under Section V of the Act, including the protection of minors against harmful content under Article 28 and the formal requirements concerning the right of reply under Article 36;

d. Further details of individual types of commercial communications and teleshopping, including the conditions for exemption and deviations from the general rules of Section VI of the Act;

e. [Further implementation and procedural instructions regarding the transmission of audiovisual media content pursuant to Section VII, including more detailed conditions for the access to and use of short extracts pursuant to Article 45.]<sup>2)</sup>

f. Public access to coverage of important events under Article 48, first paragraph, and mutual recognition of the rules of EEA Member States under Article 49 of the Act;

g. The form and imposition of *per diem* fines under Article 53 and administrative fines under Article 54, the revocation of licences under Article 52, second paragraph, and the submission of complaints to the police under Article 57.

The proposals of the Media Commission shall be obtained before issuing regulations. The comments of the Post and Telecom Administration shall also be obtained when more detailed rules are laid down on the broadcasting of audiovisual content under pursuant to point e of the first paragraph.

[The Minister responsible for electronic communications]<sup>1)</sup> may issue regulations containing further procedural and implementation provisions on television broadcasts pursuant to Section VII. The proposals of the Post and Telecom Administration and the comments of the Media Commission, shall be obtained before such regulations are issued. [The same Minister]<sup>1)</sup> may also issue a regulation further detailing the cost analysis to be carried out to determine fees for the transmission of audiovisual content, including the methods to be used for asset valuation and to calculate depreciation and yield on investment, as well as the production of costing models.

<sup>1)</sup> Act No 126/2011, Article 541. <sup>2)</sup> Act No 54/2013, Article 17.

**[Section Xa. Media ownership etc.]<sup>1)</sup>**

<sup>1)</sup> Act No 54/2013, Article 18.

■ **[Article 62a** *Monitoring media pluralism and diversity*

The Competition Authority may take action to rectify any situation leading to the prevention, restriction or impairment of media pluralism and/or diversity to the detriment of public interest. The term 'situation' refers, inter alia, to factors relating to the relevant market's characteristics, including the structure of undertakings active in that market. The

Authority's actions may take the form of measures to modify the organisation of undertakings where other equally effective and less onerous measures are not available. The Authority shall seek the opinion of the Media Commission prior to taking action pursuant to this provision.

The Media Commission may issue a recommendation to the Competition Authority that it take action pursuant to the first paragraph. Where a recommendation by the Media Commission to this effect is received by the Authority it shall open an investigation and consider the substantive merits of the case.]<sup>1)</sup>

<sup>1)</sup> Act No 54/2013, Article 18.

■ **[Article 62b Merger control**

The Competition Authority shall be notified of any merger involving at least one media service provider with a turnover in Iceland of at least ISK 100 million.

A merger is deemed to arise where a permanent change of control takes place as a result of:

- a. the merger of two or more previously independent undertakings or parts of undertakings;
- b. the takeover of one undertaking by another undertaking;
- c. one or more parties already controlling at least one undertaking or one or more undertakings acquiring direct or indirect control, in whole or in part, of one or more additional undertakings, whether by purchase of securities or assets, by contract or by any other means;
- d. the creation of a joint venture performing on a lasting basis all the functions of an autonomous economic entity.

Control within the meaning of the second paragraph shall be constituted by rights, contracts or any other means which, either separately or in combination and having regard to the considerations of fact or law involved, confer on a party the possibility of exercising decisive influence on an undertaking, in particular by:

- a. ownership or the right to use all or part of the assets of an undertaking;
- b. rights or contracts which confer decisive influence on the composition, voting or decisions of the organs of an undertaking.

Control is acquired by parties which:

- a. are holders of the rights or entitled to rights under the contracts concerned; or
- b. while not being holders of such rights or entitled to rights under such contracts, have the power to exercise the rights deriving therefrom.

In the case of a merger within the meaning of point a of the second paragraph, or the acquisition of joint control within the meaning of point c of the same paragraph, the parties to the merger or those acquiring joint control, as the case may be, shall submit a joint notification of the merger.

Where an undertaking acquires a controlling interest in another undertaking, the merger notification shall be submitted by the acquiring undertaking. In the case of a takeover bid, the notification shall be submitted by the bidding party.

The Competition Authority shall be notified of a proposed merger prior to its implementation and following the conclusion of a merger agreement, the public announcement of a takeover bid, or the acquisition of a controlling interest. A merger falling within the scope of this Act shall not be implemented while under examination by the Competition Authority. Where the Media Commission considers that an already implemented merger that escapes the turnover criteria of the first paragraph is very likely to significantly restrict media pluralism and/or diversity, the Commission may ask the Competition Authority to require the parties to the merger to submit a merger notification.

When carrying out a conformity assessment pursuant to the first paragraph, the Competition Authority shall assess whether the merger has potentially harmful effects on media pluralism and/or diversity in the market(s) where the media service provider(s) concerned are active. The Competition Authority shall seek the opinion of the Media Commission on the effects of the merger in this respect. The Authority may invalidate a

merger having potentially harmful effects on media pluralism and/or diversity or approve it subject to conditions aimed at limiting such harmful effects.]<sup>1)</sup>

<sup>1)</sup> Act No 54/2013, Article 18.

■ **[Article 62c Procedure, penalties etc.**

As regards the form and content of merger notifications, procedure, penalties, appeals to the Competition Appeals Committee and any other matter referred to in Articles 62a and 62b, the provisions of the Competition Act and any rules laid down on the basis thereof shall apply unless otherwise provided for in this Act.

The possibility of notifying mergers using a short-form notification as provided for in the Competition Act shall not apply to mergers falling under Article 62b.]<sup>1)</sup>

<sup>1)</sup> Act No 54/2013, Article 18.

## **Section XI. Entry into force etc.**

■ **Article 63** [This Act incorporates the provisions of Directive 2010/13/EU of the European Parliament and of the Council of 10 March 2010 on the coordination of certain provisions laid down by law, regulation or administrative action in Member States concerning the provision of audiovisual media services.]<sup>1)</sup>

<sup>1)</sup> Act No 54/2013, Article 19.

■ **Article 64** *Entry into force*

This Act shall enter into force forthwith. ...

■ **Article 65** *Amendments to other legislation* ...

## **Transitional provisions**

■ **I.** Notwithstanding the provisions of Article 64, radio and television licences issued under Act No 53/2000 which are valid at the commencement of this Act shall retain their validity for a period of twelve months. Media service providers covered by Article 16 must apply to the Media Commission for a renewal of their licences to provide audio or audiovisual media services before the end of that period. Temporary licences issued under Act No 53/2000 which are valid at the commencement of this Act shall remain valid according to the terms stated therein. Media services providers operating services covered by Articles 14 and 15 must notify the Media Commission of their activities within six months of the commencement of this Act.

The boards of private limited companies (ehf.) and limited companies (hf.) shall provide the Media Commission with their latest registers of shareholders before 1 June 2011. Violation of this provision shall be punishable by *per diem* fines in accordance with Article 53, first paragraph, point c.

■ **II.** The Media Commission may call for currently valid contracts on the purchase of television content, in which case media service providers shall be obliged to comply with such requests. If a currently valid contract between a media service provider and a copyright holder which will remain in force for more than three years following the commencement of this Act does not permit the transmission of content over the telecommunications networks specified in Article 45, the media service provider shall enter into a new contract with the copyright holder authorising such broadcasting within six months of the entry into force of the Act. If no such contract can be made, the media service provider shall not be permitted to transmit the content after that time.

■ **III.** The Minister of Education, Science and Culture shall appoint a committee to make proposals in the form of a bill on appropriate restrictions on the ownership of media. The committee shall consist of one representative of each group of parliamentarians representing a party in the Althing at the time of its appointment. In addition, the Minister shall appoint the chairman and deputy chairman of the committee; they shall have expert knowledge of media matters. In the course of its work, and as appropriate, the committee shall take account of the

premises and conclusions of the media committee which completed its duties by submitting a report in April 2005. The committee shall submit its proposals by 1 June 2011.

■ **IV.** This Act shall be reviewed within three years of its enactment.

■ **V.** Notwithstanding the provisions of Article 64, the Broadcasting Rights Committee shall carry out its work and attend to its supervisory functions as laid down in Act No 53/2000 until the Media Commission has been appointed.

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*Disclaimer: This is an English translation. The original Icelandic text, as published in the Law Gazette (Stjórnartíðindi) is the authoritative text. Should there be discrepancy between this translation and the authoritative text, the latter prevails.*