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# Building Distribution Capacity and Improving International Circulation of Films from CresCine Small Markets

*Co-Authors:*



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**Ivana Kostovska** is a Senior researcher in film and TV economics and policy at imec-SMIT-VUB. Her work is focused on understanding the impact of the ongoing changes in the European film and television industries driven by the rise of global streamers and platforms. Her research explores shifts in policy measures at the EU and national levels and their impact on the film and television industries, focusing on investment obligations for global streamers and rules governing contractual relationships between AV producers and financiers, including IP rights. She conducts contract research for various stakeholders, including the European Commission, and is currently part of the EU Horizon Europe project CresCine, which focuses on enhancing the international competitiveness of the European film industry.

**Paul Hammoud** , is a researcher on Film distribution and policy in European markets. He is working on CresCine's project on increasing the international competitiveness of the film industry in small European markets (Horizon Europe, 2023-2026), in collaboration with professionals from the film industry and researchers from other universities in Europe.

# Table of Contents

<b><i>Executive Summary.....</i></b>	<b><i>4</i></b>
<b><i>Introduction.....</i></b>	<b><i>7</i></b>
<b><i>Methodology.....</i></b>	<b><i>8</i></b>
<b><i>Policy support for distribution, exhibition and circulation .....</i></b>	<b><i>11</i></b>
Policy support for international sales and circulation .....	11
Policy support for international sales and circulation is important because: .....	12
Lack of support for distributors as beneficiaries .....	13
Limited digital and hybrid distribution support .....	14
<b><i>Support for festivals and organised events.....</i></b>	<b><i>14</i></b>
<b><i>Public support for exhibitors.....</i></b>	<b><i>15</i></b>
<b><i>Windowing policies.....</i></b>	<b><i>16</i></b>
State of play in the EU .....	18
State of play in the CresCine markets.....	22
<b><i>Investment obligations for global streamers .....</i></b>	<b><i>28</i></b>
<b><i>Quota policies.....</i></b>	<b><i>34</i></b>
<b><i>Sales markets and dynamics of global distribution .....</i></b>	<b><i>44</i></b>
<b><i>Conclusions .....</i></b>	<b><i>50</i></b>
Scenario 1: Lifecycle optimisation.....	51
Scenario 2: Flexible windowing for films with limited theatrical prospects.....	51
Scenario 3: Strengthening bargaining power through capacity building .....	51
Scenario 4: Linking investment obligations to circulation outcomes.....	52
Scenario 5: Multi-window coordination as a competitiveness tool .....	52
<b><i>References .....</i></b>	<b><i>53</i></b>

**Statement of Originality**

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## Executive Summary

Distribution and transnational circulation remain key bottlenecks for the international competitiveness of films from small European territories. In the CresCine ecosystems (Denmark, Ireland, Portugal, Croatia, Estonia, Lithuania, and Flanders in Belgium), domestic audiovisual markets operate at a limited scale. Small audience bases, constrained box office potential, modest production volumes, and comparatively small distribution companies restrict overall market capacity. Combined with limited risk-bearing capacity, this results in weaker bargaining power within transnational and global distribution networks dominated by major sales agents, international distributors, and platform intermediaries.

These structural constraints are echoed in interviews conducted for this report with European film distributors and experts in international sales and promotion. Industry trends show growing selectivity among buyers and audiences, more targeted title-specific acquisitions, and reduced circulation space for “middle-tier” European films. Festival “buzz” can open doors but no longer guarantees sales. In this environment, theatrical release remains strategically important for independent distributors because it is still the most cost-effective way to build a recognisable brand and support long-tail exploitation across pay TV, free TV, TVOD, SVOD, and FAST. At the same time, digital circulation is seen as a practical route for films unlikely to scale in cinemas, but interviewees stress that digital discoverability requires resources and coordinated multi-window strategy.

In this context, targeted distribution and circulation support can serve as an instrument to support broader strategies for mitigating these structural disadvantages. The mapping of policy toolkits at national level in this report shows that CresCine ecosystems continue to prioritise festival access and short-term international promotion. These measures remain important, but they do not close the gap between festival visibility and sustained commercial circulation. Dedicated support for distribution and international sales is limited, and reinvestment-style mechanisms that build capacity from international exploitation outcomes, including multi-territory SVOD availability, remain more typical of large European markets.

Investment obligations, quotas, and prominence rules, as defined in the EU's Audiovisual Media Services Directive (AVMSD), operate at different stages of the audiovisual value chain to safeguard the position of European audiovisual works. By influencing financing, catalogue composition, and discoverability, these measures seek to prevent European titles, including those from smaller markets, from being completely marginalised within increasingly concentrated and competitive distribution networks. However, the analysis indicates that in some CresCine ecosystems, investments based on the obligations may contribute to national catalogue presence but have limited impact on international circulation and cross-border audience reach. While Netflix licenses Croatian films under its investment obligation, these titles are largely confined to the domestic catalogue and are not made available across other territories.

The growth of on-demand viewing also raises the policy question of whether films with limited commercial prospects should be allowed to move more quickly from theatrical release to digital platforms to reach broader audiences. The Danish Film Agreement 2024–27 introduced a performance-sensitive approach to windowing, allowing films with lower box office results to move more rapidly to digital platforms and television. This policy approach moves away from traditional fixed exclusivity periods by encouraging earlier online availability for titles with limited theatrical prospects, aiming to enhance audience reach for films that struggle commercially. The underlying rationale may be relevant for policymakers in other small markets seeking to optimise international circulation and extend film lifecycles.

Overall, the report outlines several implications for policy. First, circulation capacity should be treated as an important issue for competitiveness. Second, policy measures may reduce risk and extend film lifecycles through flexible windowing and better-supported multi-window release strategies. Third, distributor capacity needs stronger attention, as most CresCine toolkits still have a limited number of support schemes where distributors are primary beneficiaries. If policy frameworks do not evolve, small markets may remain overly dependent on festival visibility, even as commercial access becomes more competitive and selective across windows. Finally, the design of investment obligations for streaming services in small markets should place greater emphasis on circulation outcomes, not only financing acquisition. In practice, this means shaping rules in ways that incentivise investments that support the

ability of local titles to travel, through stronger visibility, market access, and cross-border availability—rather than investments that remain confined to national video-on-demand catalogues.

Based on the analysis, the report outlines five forward-looking policy pathways for CresCine markets: lifecycle optimisation; flexible windowing for films with limited theatrical prospects; strengthening bargaining power of distributors through capacity building; linking investment obligations to circulation outcomes; and multi-window coordination as a competitiveness tool.

# Introduction

This report is produced within the Horizon Europe project **CresCine – Increasing the International Competitiveness of the Film Industry in Small European Markets** and contributes to the project’s work on **distribution, exhibition and platforms**. It focuses on the **CresCine ecosystems**—Denmark, Ireland, Portugal, Croatia, Estonia, Lithuania, and Flanders in Belgium—and situates these ecosystems within wider EU audiovisual policy and industry developments. The aim is twofold. First, the report maps and analyses policy measures that shape distribution, exhibition, and circulation in CresCine ecosystems, including how these measures interact with market realities. Second, it identifies gaps and emerging needs in distribution, exhibition, and circulation of films from these ecosystems, with particular attention to international sales, sales market access, and the growing importance of digital circulation.

The report examines four interconnected policy domains. It first assesses **distribution and exhibition support at national level**, including public support measures that target arthouse cinemas, audience development, festival participation, and international promotion. It then analyses **windowing policies in EU**, distinguishing between statutory frameworks (where they exist) and the contractual or funding-driven approaches that dominate in the CresCine ecosystems. Third, it reviews **quota and prominence obligations** for on-demand services under the AVMSD, including national specificities, exemptions, and implementation practices. Fourth, it analyses **investment obligations for global streamers such as Netflix and Prime Video**, highlighting how these instruments operate differently across large and small markets in the EU and how uneven uptake can shape platform priorities and territorial investment patterns.

In addition to policy mapping, the report includes an industry-facing section on **sales markets and the dynamics of global distribution**. This section draws on **interviews** with distributors of European films and experts in international sales and promotion. Interview insights are used to contextualise key shifts—limited risk-taking, declining relevance of package deals for small market players, the conditional value of festival “buzz,” and the strategic role of theatrical release in building downstream value across TVOD, SVOD, and FAST.



The report is intended to be a practical reference for **screen agencies, policymakers, regulators, and industry stakeholders**. The analysis also supports the development of policy recommendations aimed at strengthening the international competitiveness of films from small European markets.

The remainder of the report is structured as follows. After outlining the methodology, it presents a comparative analysis of policy support for distribution, exhibition, and circulation, followed by dedicated sections on windowing, quotas and prominence, and investment obligations. It then analyses sales markets and global distribution dynamics, drawing on interview evidence, before concluding with cross-cutting findings and implications for small-market policy design.

## Methodology

This report adopts a qualitative, comparative methodology to analyse distribution support, windowing rules, quotas, and investment obligations in the European Union, with a particular focus on the seven CresCine ecosystems: Denmark, Ireland, Portugal, Croatia, Estonia, Lithuania, and Flanders in Belgium. The analysis combines national and European legal texts, regulations, funding guidelines, and industry reports to capture both formal rules and observed industry practices. The scope of this analysis is limited to national policy measures and does not include pan-European funding support schemes.

This report does not seek to provide a comprehensive analysis of the structure of the distribution and exhibition sectors, nor of the broader market and contextual factors shaping their performance. Rather, its primary objective is to map and analyse existing policy measures and regulatory frameworks relevant to distribution and circulation. The report analyses policy support at the national level and does not examine funding at the EU level.

For windowing policies, the primary sources are national legal texts and binding regulations where they exist, including statutory media chronology systems and audiovisual legislation. These were systematically reviewed to identify explicit obligations regarding release windows, holdback periods, and permitted exceptions. In markets without statutory frameworks, the

analysis focuses on public funding guidelines issued by national film agencies and screen bodies. This legal and regulatory review is complemented by industry reports and policy studies produced by relevant organisations such as the European Audiovisual Observatory, as well as national research commissioned by film institutes or regulators.

The analysis of distribution, exhibition and circulation policies is based on a structured mapping exercise across the selected CresCine markets, designed to identify existing public support measures, regulatory obligations, and policy gaps affecting film circulation. Data collection relies primarily on official documentation issued by national regulators, film institutes, and screen agencies, including funding guidelines, calls for applications, regulatory decrees, and legislative provisions governing audiovisual distribution, exhibition and circulation.

The analysis of quota policies combines legal analysis with an examination of market and regulatory documentation. The primary sources are national legal texts transposing the AVMSD, including consolidated versions of media laws and implementing decrees of EU member states, which provide the formal basis for quota levels, prominence requirements, exemptions, and sub-quotas. In addition, the report draws on recent industry reports, academic studies, and market analyses published by the European Audiovisual Observatory and the European Commission to support cross-country comparison. Regulatory and institutional documents—such as monitoring reports, guidance documents, and official communications—were reviewed to assess how obligations are applied in practice, how exemptions are assessed, and how compliance is monitored.

Wherever applicable, each country section covers core quota obligations, prominence measures, exemptions, and distinctive national features such as sub-quotas or investment obligations.

The analysis of investment obligations follows the same comparative documentary approach, complemented by interviews with policymakers. National legal texts transposing Article 13(2) AVMSD and related implementing decrees of EU member states were reviewed to identify the scope of obligations (services covered, territorial targeting rules, eligible works and spend), the rate and calculation base, permitted compliance routes (direct investment and/or levies), and enforcement mechanisms. This was complemented by regulatory guidance and monitoring

documents from national media regulators and screen agencies, to capture implementation practices and emerging differences across markets.

The section on sales markets and the dynamics of global distribution additionally draws on 15 semi-structured qualitative interviews with European film distributors and experts in international sales and promotion. The interviews were conducted online in the period between May 2025 and January 2026. The interviews were used to capture market practices, including changes in buyer selectivity, the role of festivals and the function of sales markets in deal-making and territorial licensing, and the evolving relationship between theatrical release and downstream windows (including SVOD/TVOD/FAST).

As part of the research design, a stakeholder co-creation workshop was organised during the *Marché du Film* (Cannes Next programme) at the Cannes Film Festival under the title *Cannes Next / CresCine's Exploring Present and Future Trends in Film, Content & Tech Financing / Presented by CresCine* (17 May 2025, The Viewpoint – Lérins). The session was designed as a structured qualitative consultation and co-creation exercise aimed at generating forward-looking industry insights to inform the analytical framework and policy scenarios developed in this report. The panel brought together a diverse group of industry and research stakeholders, including Ivana Kostovska (imec-SMIT-VUB), Tobias Queisser (Cinelytic Inc), Roosa Toivonen (Fireframe Studios / Ikigai Nordic / Good Hand Production), Benjamin Wiessner (Vanishing Angle), Elisa Alvares (Tower Peak Partner), Céline Dornier (Logical Pictures Group), and Nirit Harel (IMPACT / YPO Entrepreneurship). The discussion was moderated by AC Coppens (THE CATALYSTS) and Sten-Kristian Saluveer (media, technology and policy futurist and head of Cannes Next). Insights generated during the workshop were documented and integrated into the report as qualitative input, contributing to stakeholder validation, triangulation of findings, and the refinement of policy recommendations.

# Policy support for distribution, exhibition and circulation

Ivana Kostovska, Paul Hammoud

## Policy support for international sales and circulation

The analysis of policy support provided by national screen agencies shows that across the CresCine small ecosystems, support for international sales and circulation typically extends little beyond festival-related promotion measures.

By contrast, these instruments are more typical of the policy toolkits of larger European markets. France offers a clear example through the **National Centre for Cinema and the Moving Image (CNC)** and its [Fund for the Promotion of Cinematographic Works Abroad](#). This **automatic scheme** credits France-based international sales agents/exporters based on a film's theatrical admissions abroad, festival circulation, and SVOD availability across at least two foreign territories (with higher amounts for wider multi-territory and multi-platform availability), and it can then be reinvested in international MGs (rights acquisition) and/or international promotion spending.

Across CresCine markets, **export and foreign festival support** typically have the objective of structurally correcting the scale limitations inherent in small audiovisual ecosystems. Because domestic box office ceilings are low, revenue generated within national borders is rarely sufficient to ensure the sustainability of film distribution and recoupment. **Festival funding and international promotion schemes** therefore play a role by facilitating access to international audiences. By enabling premieres at major festivals and coordinated international marketing campaigns, these measures help films generate visibility, symbolic and cultural capital and press coverage that would otherwise be unattainable within small territories. In doing so, they operate also as reputation and soft-power-building mechanisms, enhancing the perceived quality of national cinema and vis a vis ensuring the funding of the sector as a national soft power vehicle. This **reputational leverage** may also strengthen producers' and sales agents' negotiating position in international sales. In the context of smallness as a structural constraint, international circulation-oriented policy instruments are perceived as an important pillar of

distribution strategy, designed to offset scale-based asymmetries within transnational value chains.

For example, the Flanders Audiovisual Fund (VAF) provides **international promotional support to enhance the visibility of Flemish films and talent abroad**. This support can be used when a Flemish work is selected for a foreign festival, receives an international award nomination, or is featured in special programmes such as retrospectives, tributes, or focus sections. Also, VAF awards automatic grants to screenwriters, directors and producers who have achieved measurable artistic or economic success with a previous work supported by VAF/Filmfonds. Success that triggers the automatic support includes, among other criteria, festival recognition or awards according to a published list of eligible selections and prizes at major international festivals, as well as cinema success defined by reaching at least 150.000 paying viewers in Belgian theatres. The support must be reinvested in the development or production of a new audiovisual project.

All screen agencies in the CresCine markets provide some form of support for **foreign festival participation** in their funding portfolios. For example, Screen Ireland provides International promotion funding to support Irish films at major international festivals and markets (e.g., Cannes, Berlinale, Venice, Toronto). The funding may cover travel costs, festival accreditation, marketing materials, subtitling, press activities, and other promotional expenses. The Croatian Audiovisual Centre (HAVC) provides international promotion support that includes funding for festival participation outside Croatia. This can cover costs related to attending foreign festivals, promoting Croatian films abroad, and securing festival screenings and industry exposure. **Sales market participation support** is typically bundled together with festival and international promotion funding.

Policy support for international sales and circulation is important because:

Small CresCine markets need export to compensate for scale limitations:

- The domestic box office ceiling is low.
- Sustainability of film production depends on external revenue.

### Lack of support for distributors as beneficiaries

According to some of the independent distributors we interviewed both in CresCine ecosystems and in the larger European markets, a recurring structural gap in national audiovisual policies is the **limited availability of funding schemes that treat distributors as primary beneficiaries**. In their view, stronger financial backing for distributors is key to improving circulation and international reach, especially in small territories.

The analysis of the policy toolkits across CresCine markets indicates that most **lack dedicated support mechanisms for distributors**. For example, while the Danish Film Institute (DFI) provides distribution-oriented support, the way it is structured means producers are the formal applicants. Launch support at the DFI is distribution support, but it is not exclusively for distributors, the producer applies, often in collaboration with the distributor.

**Ireland's policy toolkit** illustrates a distribution support scheme with distributors as the beneficiaries. Irish distributors can apply directly for distribution support from Screen Ireland. This scheme offers limited-recourse loans to **bona fide Irish distribution companies** (in the business of distributing films regularly in the Irish market) planning to release full-length feature films in Ireland (and, in limited circumstances, the UK). It can cover up to 90% of eligible publicity and promotional costs, up to a maximum of €100.000, including media space, publicity, PR fees, digital marketing, and accessibility costs. Eligibility requires a strong release plan and involves a film that has already received Screen Ireland production funding.

Portugal's national screen agency **ICA** provides dedicated distribution support that allows **registered distributors** to apply with a **plan for national distribution** of Portuguese, European or other works whose share of Portuguese admissions was below 5 % in the previous year. This support is awarded based on the **distribution plan's exhibition commitments**, including minimum multi-district screening requirements, and can finance up to 80 % of eligible costs with set maximums per project and per distributor.

## Limited digital and hybrid distribution support

Increasingly, **digital and hybrid distribution policy support has gained momentum** for the **international circulation of European films**. Limited theatrical release for some films and video-on-demand (VOD)-dominated discoverability environments require coordinated multi-window strategies. Public support for digital distribution may enhance lifecycle value and visibility to transnational audiences. However, across CresCine markets, dedicated policy measures targeting digital or hybrid distribution remain relatively limited.

In Denmark, the Danish Film Institute provides support for the launch of feature films towards the cinema window and other distribution windows, including video-on-demand, on the Danish market. The purpose of the support scheme is to support the distribution of Danish films in Denmark, to ensure that as many Danes as possible have easy access to the films and the cinema experience, and to ensure the best possible exploitation of the commercial and cultural potential of the individual film. In Ireland, Screen Ireland in its distribution support scheme also supports **day-and-date releasing** (theatrical and digital platforms simultaneously) and the eligible costs include **digital marketing materials**.

### **Digital distribution support is important for small markets because:**

- The cinema life for some films is short.
- VOD can extend life cycle.
- VOD discoverability needs support.

## Support for festivals and organised events

In some cases, the screen agencies organise events to strengthen industry connectivity and international circulation. Within the Flemish support ecosystem, the **Flanders Audiovisual Fund**

(VAF), via its international promotion arm **Flanders Image**, provides a sales-facing interface through **CONNEXT** and its successor **Flanders Film Days**. Flanders Film Days is an **invitation-only** showcase held in close connection with **Film Fest Gent**, combining **pitches, works-in-progress and screenings** for international professionals, including **international sales agents** and major festival representatives. Flanders Image also operates **screener.be**, a professional VOD platform aimed at giving foreign film professionals easier access to Flemish titles for **selection and acquisition**.

Across some CresCine markets, screen agencies also play a central role in sustaining the local festival ecosystem through **public funding for film festivals**. This support helps maintain exhibition infrastructure, audience development, and professional networking opportunities that are particularly important in small markets. **Screen Ireland**, for example, provides funding to a limited number of national Irish film festivals and film markets that focus on Irish film, television, animation, documentaries, and shorts, supporting strong industry engagement. The Croatian Audiovisual Centre (HAVC) runs festival and audience support schemes aimed at stimulating wider audience choice by supporting **film festivals and cinema-related events** in Croatia. This includes annual support for around ~20 festivals, such as **Pula Film Festival**, **Motovun Film Festival**, **Zagreb Film Festival**, **Zagrebdox**, and **Animafest – World Festival of Animation**, among others.

### Public support for exhibitors

Across CresCine markets, public support for exhibitors primarily aims to sustain arthouse and independent cinemas, strengthen cultural programming, and secure screen access for national and European films. In Flanders, Denmark, Ireland, Croatia, Portugal, Estonia, and Lithuania, support typically can take the form of funding for arthouse venues, film festivals, audience development initiatives, and cinema modernisation and digitisation. However, not all CresCine markets have permanent operating subsidy schemes for arthouse cinemas.

The Danish Film Institute (DFI) provides a **dedicated, recurring support for cinema exhibition and arthouse exhibitors**. The purpose of the support scheme for Danish arthouse cinemas is to ensure a diverse cinema environment in Denmark as well as artistic and cultural diversity in the Danish cinema market.



## Support for less circulated films and films without distributors

In some CresCine ecosystems, distribution support explicitly targets **films that would otherwise struggle to circulate, including less widely released titles and projects that have not secured a domestic distributor.**

Portugal's support scheme for the **distribution of less widely circulated national, European and international films** targets distributors with under 5% market share and requires distribution plans to include at least five eligible feature films whose national circulation is below the 5% threshold in the previous year. Each film must be screened for at least seven consecutive days in two districts and shown at least once in six municipalities outside Lisbon and Porto, in venues equipped with compliant ticketing-data systems, while screenings at festivals are excluded. Only plans beginning in the year of the call are accepted, and works already supported under the national-films scheme cannot be included.

Screen Ireland provides limited-recourse loans to Irish production companies for the theatrical release of feature films (fiction, animation, or documentary) that have already received Screen Ireland production or completion funding. The support is designed for **films that have not secured distribution through a bona fide Irish distributor**, allowing producers to manage the release themselves. Eligible costs include DCP creation, trailer and poster design, marketing, publicity, media space, and accessibility materials. Both traditional theatrical releases and day-and-date releases (simultaneous theatrical and digital release) are supported.

## Windowing policies

*Paul Hammoud*

### Regulatory and funding landscape

Among the CresCine ecosystems, there are no strict legislative frameworks governing release windows comparable to the "media chronology" found in France or the statutory rules in Bulgaria. Instead, regulation in these territories is primarily indirect, functioning through public

funding guidelines that incentivize or mandate specific distribution behaviors to ensure the visibility of supported works.

Ireland has the most structured requirements among the ecosystems regarding funding eligibility. Screen Ireland mandates “viable theatrical windows” for all projects receiving production funding, specifically requiring a 24-month theatrical window for feature films and a 12-month window for documentaries starting from their first festival screening. Similarly, while Lithuania does not enforce a general release schedule, the Lithuanian Film Centre imposes specific distribution criteria for funded projects; for instance, feature films must be screened in at least two cities for seven consecutive days.

Estonia also integrates distribution goals into their support schemes without setting rigid statutory windows. Minority co-production support is conditional on the film being screened in cinemas or on streaming platforms within one year of its international premiere.

### Contractual standards and market practices

In the absence of a strict legislative framework, the standard practice across Portugal, Croatia, Flanders in Belgium, and the wider commercial sectors of Denmark, Estonia, and Lithuania is for release windows to be defined contractually on a case-by-case basis. This “free market” approach means that holdback periods are negotiated between rights holders, exhibitors and platforms, often influenced by international release strategies.

In Portugal, where distributors typically hold all rights, there are **no mandatory windows**, but market averages suggest a three-month holdback for physical and transactional video-on-demand (TVOD) releases, extending to six months for pay-TV and twelve months for subscription VOD (SVOD). A similar pattern exists in Lithuania, where transactional online distribution typically begins two months after the theatrical run, while free TV broadcasting waits up to 24 months. However, flexibility is key; in Lithuania, foreign releases often maintain shorter windows compared to local films, which may enjoy longer exclusivity.

Denmark operates under an industry agreement dating back to 2011 that established a standard four-month holdback for DVD and VOD. While this remains the current practice for major releases, the system allows for exceptions, such as "discount days" that distributors can use to shorten windows for specific titles.

In Flanders, releases generally secure shorter exclusivity periods, averaging 53 days compared to 82 days for non-Flemish films, with second-circuit screenings frequently beginning around the six-week mark. Nationally, the common contractual pattern sees DVD, Blu-ray, and digital purchase (EST/DTO) releases three to four months after the theatrical run, while the key secondary window, SVOD, varies widely from seven to thirty-six months based on specific title arrangements, and television broadcasters are legally required to respect these contractually agreed broadcast periods.

To adapt to the streaming era and changing audience habits, several of these markets are experimenting with more flexible models. The Danish Film Agreement (2024-2027), a **four-year cross-party political agreement** that sets the policy framework, priorities, targets, and public funding envelope for Danish film, introduces a formal condition requiring producers, distributors, or cinema partners to ensure that films with low box-office performance are made available to the public more quickly on digital platforms, including television.

In Flanders, hybrid release models, such as the YouTube Ciné-Club initiative, where the documentary *The Toughest Race on Earth* by Belgian YouTuber Average Rob was released in cinemas for limited runs and then made available online almost immediately, bypassed traditional, lengthy exclusivity periods. While such strategies remain relatively recent and not yet the dominant industry norm, they signal a growing experimentation with alternative circulation models. Similar developments can be observed in other European contexts, including France, as well as in recent cases such as *Iron Lung* (2024) (relevant as film driven by creator economies and platform-native production).

State of play in the EU

Strict legislative measures defining release windows are rare within the EU, with only France and Bulgaria enforcing such frameworks through national statutes. France operates under a highly structured system known as “media chronology,” which is deeply tied to the preservation of cultural heritage and the financing of local production. This framework was recently modernized to accommodate evolving viewing habits; notably, the window for subscription video-on-demand (SVOD) platforms was shortened from 36 months to 15–17 months for services that sign agreements to invest in local filmmaking. In contrast, Bulgaria utilizes a simpler statutory framework, mandating a three-month window for video and digital platforms and a six-month window for free television following a theatrical release, although exceptions can be made if specified in distribution contracts.

A significant number of EU countries regulate release windows indirectly by linking them to eligibility for public funding. In these territories, adherence to specific holdback periods is a mandatory condition for films receiving state aid. Germany and Austria exemplify this model, where funding guidelines set standard windows—typically six months for video and VOD—but allow for reductions in exceptional cases. For instance, German regulations were recently adjusted to allow a shortened four-month window for funded films to provide greater flexibility. Similarly, Italy mandates a 105-day theatrical window for all films seeking tax credits or public support, a rule that was temporarily reduced during the pandemic but later restored to protect the theatrical sector.

In the majority of EU member states, including Spain, the Netherlands, Belgium, and Denmark, release windows are determined through **contractual agreements or industry consensus** rather than legislation. In Spain, while the traditional window has been around 112 days, recent market pressures have led to drastic reductions, with some releases moving to platforms in as few as 30 to 45 days. Other countries like Poland, Sweden, and Slovakia rely on informal industry agreements; for example, Poland operates with a guideline of 75 days between cinema and online distribution, though distributors often shorten this to 45 days. In these “no measures” environments, the timeline is largely dictated by the commercial leverage of distributors and global streaming strategies.

The **pressure to adapt to the digital technologies and on-demand viewing** has spurred innovative policy changes and hybrid release models. Germany has introduced "force majeure" provisions allowing for online premieres when theatrical release is impossible, alongside faster tracks for films with limited commercial potential. The market is also witnessing the disruption of traditional chronologies by new content forms; in France, the documentary *Kaizen* by YouTuber Inoxtag was released in cinemas and made available online almost immediately, sparking debate about the relevance of existing window regulations.

The French system of film distribution and release windows has been significantly revised since the emergence of SVOD platforms. The length of the SVOD window was reduced from 36 months to 15-17 months. A new framework for release window agreements was revised in January 2022 and adopted by the French industry with the exception of Disney and Amazon (Cabrera et al., 2023).

Videograms for sale or rental may be released four months after theatrical release, with possible reductions of up to four weeks. Pay-per-view on-demand services follow the same timing, with promotional periods beginning no earlier than three weeks before the window and ending three weeks prior to pay-TV release (Légifrance, 2025).

Pay-TV cinema services can exploit films in a first window after nine months, or six months under agreements with professional organisations, with exclusivity limited to eight months or six months for the shorter period. Second-window exploitation begins after 17 or 15 months depending on agreements, with exclusivity not exceeding seven months (Légifrance, 2025).

Subscription-based SVOD services may release films after 17 months, or 15 months for works under professional organisation agreements, with minimum windows of six months for negotiated exceptions. Exploitation may not exceed 22 months if free-to-air or other pay-TV services are involved, with co-exploitation agreements allowing specific unavailability periods for high-cost productions or SVOD-produced works (Légifrance, 2025). Lower-budget works follow standard timing rules, with exclusivity capped at five months for first windows and seven months for second windows (Légifrance, 2025).

Free-to-air and non-cinema pay-TV services may exploit films after 22 months (or 19 months for works not acquired in second windows), with exclusivity up to 14 months, and may negotiate co-exploitation with SVOD services. Free on-demand services may release films 36 months after theatrical release (Légifrance, 2025).

Documentaries and low-budget fiction works (with a maximum of €1.5 million budget) may be **released on digital platforms** 12 months after theatrical release if rights offer within a 22-month window have not resulted in prior acquisition. Disputes over these exemptions are subject to conciliation by the Film Mediator (Légifrance, 2025).

Under the current system in France, theatrical release remains the starting point of the media chronology, with a standard cinema exclusivity window of four months, reducible to three months if initial admissions are under 100,000. Netflix may stream films 15 months after theatrical release, while services not signing the agreement must wait 17 months (Cabrera et al., 2023). Disney+ has negotiated a shorter 9-month window for films and French productions, with a commitment to invest in French cinema (Numerama, 2024).

The case of YouTuber Inoxtag's documentary *Kaizen: 1 year to climb Everest!* illustrates the tensions arising when digital release closely follows theatrical exhibition, generating breaches of media chronology and potential administrative sanctions. The documentary, released in French cinemas on 13 September 2024 and on YouTube the following day, achieved exceptional reach, drawing more than 340,000 cinema admissions and over 38 million online views by November 2024. TF1 later acquired the rights, broadcasting it on 8 October and offering it free on TF1+ from 28 September. However, the success of the documentary was nuanced by a controversy, as the Centre national du cinéma et de l'image animée (CNC) determined that the TF1 broadcast of *Kaizen* violated the established media chronology. Although national rules normally prevent works intended for YouTube from obtaining general theatrical release, an exceptional screening certificate can authorise up to 500 screenings over two days within a single week. *Kaizen* was reported to have reached around 800 screenings, exceeding this limit. The distributor MK2 stated that only 350 screenings were planned, while

some cinemas reportedly added showings without consultation. Exceeding the authorised cap means the film should have requested a standard screening certificate. Under the Code on Cinema and Moving Images, unauthorised exploitation can lead to fines of €45,000 and administrative sanctions for infringement of release windows, particularly as the rights were sold to both YouTube and TF1. Several observers and specialised media outlets have described the situation as proof that the rules regarding release windows in France are obsolete. (see European Audiovisual Observatory, 2024; Lessurligneurs, 2024).

## State of play in the CresCine markets

### Flanders

In Flanders, release windows are determined on a contractual, case-by-case basis between rights holders and distributors. There is no statutory media chronology, leaving flexibility to adapt to market trends and negotiation outcomes (Cabrera et al., 2023).

The typical release pattern in Flanders generally mirrors that of the Netherlands, particularly for Dutch-language films, while French-language titles released in Belgium tend to follow French release trends. However, distributors retain discretion to adjust windows depending on the title's profile and target audience (Cabrera et al., 2023).

At the national level, in the absence of binding rules, release windows for Belgian films tend to follow these broad patterns: DVD, Blu-ray, and EST/DTO releases occur three to four months after theatrical release; TVOD follows a similar window; pay-TV access generally opens between seven and twelve months; free-TV between nineteen and thirty months; and SVOD between seven and thirty-six months, depending on contractual terms and title-specific arrangements (Cabrera et al., 2019).

Recent industry-led shifts have brought new forms of release. For example, in 2025, YouTube launched its "Ciné-Club" initiative in Belgium, following its French debut and the release of the documentary *Kaizen* by YouTuber Inoxtag. The project premiered the documentary *The*

*Toughest Race on Earth* by Belgian YouTuber Average Rob, attracting over 7,000 viewers with 25 screenings across nine Flemish cities. The initiative, in collaboration with mk2 cinemas, exemplifies how digital-native content can successfully integrate into traditional theatrical circuits, suggesting potential hybrid models for future distribution (mk2 Pro, 2025; Average Rob, 2025).

## Croatia

In Croatia, the release and distribution of audiovisual works operate primarily on a contractual basis, with parties determining conditions individually for each project (Cabrera et al., 2023). At national level, eligibility for production support is not linked to specific performance requirements: there are no obligations regarding theatrical release, visibility, distribution, or release windows for a work to qualify for funding (European Audiovisual Observatory, 2019).

Furthermore, the regulatory framework stipulates that audiovisual media service providers may only transmit audiovisual works within the periods agreed contractually with rights holders, as set out in Article 16 of the Electronic Media Act (Zakon.hr, 2022).

## Denmark

In Denmark, release windows are determined contractually. Online distribution largely mirrors the release patterns of physical formats, with distributors typically distinguishing between permanent-access and time-limited online models. For major titles, permanent-access releases may precede physical formats by up to ten days. Certain flexibilities exist, including approximately forty “discount days” per distributor that may be used to shorten windows, as well as individually negotiated arrangements for films with very limited circulation or for distributors operating outside the national distributors’ association. These practices are not linked to public funding and apply equally across domestic, European, and US works. No overarching agreement governs these timelines; instead, they are established independently for each film (Cabrera et al., 2023).



Denmark also applies windowing rules stemming from a 2011 agreement between the Danish Cinema Association and the Association of Danish Film Distributors. Under this arrangement, Danish feature films released in cinemas must observe a four-month holdback before availability on DVD or VOD, and a twelve-month interval before appearing on Danish television. Typical release patterns include DVD/Blu-ray at four months, pay-TV at twelve months, and free-to-air television at twenty-four months following theatrical release (Nordisk Film, cited in Cabrera et al., 2019). As a condition under the Danish Film Agreement 2024-2027, the producer of a film, together with its distributor or cinema partner, must ensure that lower-performing titles can be made available to the public more quickly on digital platforms, including television stations. Moreover, a negotiation mechanism involving the Danish Film Institute, the Producers' Association, DR, and TV 2 aims to establish rights arrangements that allow films to appear quickly on television while safeguarding producers' interests. If no agreement is reached, the matter is referred to the conciliation circle (Danish Film Institute, 2023).

A 2018 report by the Danish Film Institute highlighted the need for greater flexibility in release windows, particularly given rapid shifts in audience behaviour and the prominence of digital distribution. The report points out that 93% of cinema admissions occur within the first six weeks of release, with smaller films often screening for only two to four weeks. Consequently, the four-month holdback is considered disproportionately long for titles that disappear from cinemas well before their digital availability. The report proposes a differentiated model comprising four strands: general cinema distribution with a four-month window for high-potential films; a "Fast Track" of six to eight weeks for films with fewer than 10,000 admissions; "Event visioning" for highly niche films, allowing availability within ten days on TVOD and then SVOD services; and an "Emergency Track" enabling poor-performing films to shift quickly to digital platforms with a hold-back of six to eight weeks after the premiere (Cabrera et al., 2019).

The Danish Film Institute emphasises the need to strengthen cinema as a distribution platform while maximising Danish films' availability in subsequent windows on television and streaming, ensuring both broad reach and financial return. Given that around 90% of tickets for a Danish film are sold within the first 42 days, rapid progression to digital and TV platforms is crucial to capitalise on the film's topicality, marketing, and media attention from its theatrical release.

Before the COVID-19 lockdowns, the average hold-back between cinema and digital release exceeded four months, but by 2022 this had reduced to under three months. To avoid long exclusivity periods and unused windows, a differentiated hold-back strategy is recommended. Under this model, normal cinema releases have a 75-day window with digital availability required within 100 days, shorter planned windows allow 45 days in cinemas and digital release after 75 days, and event windows range from 0 to 21 days, with films moving immediately to the next window after the event ([Danish Film Institute, 2023](#)).

## Estonia

In Estonia, release windows are decided by contractual agreement, with rights holders and distributors negotiating timelines on a film-by-film basis. This flexible approach also extends to online exploitation, where shorter windows for digital distribution may be agreed case by case, (Cabrera et al., 2023). In a structurally small ecosystem such as Estonia, flexibility has become institutionalised as a shared industry norm, allowing stakeholders to adapt windowing strategies pragmatically in order to preserve the operability of the national audiovisual ecosystem.

Public funding plays a role in shaping certain obligations for films produced with Estonian support, particularly in international minority co-productions. Projects supported under this scheme must be screened in Estonia, either in cinemas or on streaming platforms, within one year of their international premiere, and must be made available in Estonian or with Estonian subtitles (Estonian Film Institute, n.d.). Additional obligations include organising a domestic premiere within one year of project completion, ensuring television broadcast within two years, and delivering archival copies to the National Archives, including the source materials of the film, the subtitle file and the caption translation. Recipients must also provide annual reports on the film's international distribution and participation in festivals within the first three years following the international premiere, except in the case of minority co-production films. They must also ensure equal access to all qualifying cinemas where distribution support is involved (Riigi Teataja, 2024).

## Ireland

Release windows in Ireland are primarily determined by contractual agreements. Screen Ireland expects all projects, particularly those with broadcaster involvement, to maintain viable theatrical windows. Documentaries must typically allow a minimum twelve-month window from the date of the first festival screening, while feature films are expected to observe a twenty-four-month theatrical window from their initial theatrical release (<https://www.screenireland.ie/funding/funding-process-and-procedure/production-funding-guidelines>).

Distribution patterns show that home entertainment and digital release windows are agreed contractually, and in practice there is no distinction between local, European, or U.S. content. Screen Ireland supports both Irish distributors and producers through distribution and exhibition funding, helping films secure theatrical releases in Ireland (including Northern Ireland) when commercial distribution is otherwise limited, thereby enhancing audience reach (<https://www.screenireland.ie/funding/funding-process-and-procedure/production-funding-guidelines>).

Legally, television and on-demand service providers must respect the periods agreed with rights holders, ensuring that broadcast and streaming windows align with negotiated release schedules (Coimisiún na Meán, 2024).

## Lithuania

In Lithuania, film release windows are determined contractually, allowing parties to negotiate schedules on a case-by-case basis. Typical release practices indicate a staggered approach across platforms: DVD/Blu-ray releases occur 3–6 months after cinema screenings, transactional online distribution (EST/TVOD) two months after the cinema run, pay-per-view after nine months, pay-TV after twelve months, and free-to-air broadcasting around 24 months. Foreign films generally maintain shorter windows, whereas dubbed animations and local productions may take longer (up to 4–6 months) (Cabrera et al., 2023).

Legally, audiovisual media service providers must respect the broadcast periods agreed with rights holders, ensuring that transmission schedules align with contractual arrangements (Seimas of the Republic of Lithuania, 2021).

State funding for film production does not impose mandatory requirements regarding theatrical visibility or performance on any of the different release windows, with two exceptions: TV creative documentaries must have a TV-distribution deal and animation series projects must have a TV or VOD distribution deal (European Audiovisual Observatory, 2019). Funded films must be completed within two years from the end of the funding period, and the premiere must occur in Lithuania within three years, subject to extensions in the case of emergency or quarantine restrictions. Following the premiere, feature films are required to be distributed nationally within one year. Specific exhibition obligations exist depending on film type: feature and animated films must be shown in cinemas or cinema halls for at least seven consecutive days in two Lithuanian cities. Minority co-productions and documentaries must be shown in Lithuania for at least five consecutive days in two cities or once in five cities. Interactive films must be made available to viewers in Lithuania for a minimum of seven days within a thirty-day period or at least thirty consecutive days via video-on-demand platforms. Multi-part films are required to be accessible to Lithuanian audiences at least once in a thirty-day period on video-on-demand applications (Lithuanian Film Centre, 2025).

## Portugal

In Portugal, release windows are determined contractually on a case-by-case basis, with no statutory rules governing the sequencing of film exploitation. Average timelines indicate that physical formats such as DVD and Blu-ray are typically released three months after theatrical exhibition. Transactional online distribution (EST/TVOD) follows a similar three-month window, while pay-per-view services generally access titles after four months. Pay-TV windows tend to open around six months post-release, and SVOD and free-to-air television usually acquire rights after approximately twelve months (Cabrera et al., 2023).

These timelines remain largely flexible, as distributors in Portugal commonly acquire “all rights”, enabling them to negotiate release windows directly without mandatory regulatory constraints beyond the contractual holdbacks agreed with rightsholders. The figures provided reflect average industry practice and may vary significantly across titles. Windows may also be shortened through negotiated agreements between rightsholders and television or DVD distributors, particularly when broadcasters act as co-producers (Cabrera et al., 2023).

The absence of mandatory release windows in Portugal is echoed in the framework of the national Tax Incentive for Film Production. Although the measure does not define windowing rules, it requires producers seeking final recognition to provide distribution agreements, where available, indicating the planned premiere date, as well as any broadcast or editing agreements. Producers must also deliver two copies of the final version of the film prepared for theatrical exhibition. These requirements ensure that projects supported by the incentive are distribution-ready upon completion, aligning with the flexible, market-driven approach to release chronology (Institute of Cinema and Audiovisual, 2017).

## Investment obligations for global streamers

*Ivana Kostovska*

Investment obligations for streamers are legal requirements that oblige on-demand services (Netflix, Disney+, Prime Video, etc.) to financially contribute to the production and/or acquisition of European (often also national) audiovisual works in each country where they operate or target audiences.

In the EU, the Audiovisual Media Services Directive (AVMSD) allows Member States to impose these financial contribution obligations as either direct investment (e.g., commissioning/co-producing, pre-buying rights, investing in independent producers) and/or indirect contributions (e.g., paying a levy into a national film/audiovisual fund). It also allows countries to apply obligations to services established in another Member State but targeting their national audience, usually calculated on revenue generated in the targeted country.

While primarily production-focused, these policy measures increase the volume of national works available for circulation, potentially strengthening the distribution pipeline.

Many EU Member States already have **investment obligations** for on-demand services in place, while others are **still developing and implementing** these measures.

Across the **Nordic countries**, discussions and legislative initiatives are underway to introduce new financial obligations for streaming services. While **Denmark** implemented the **levy** in January 2025, **Norway** plans to introduce the investment obligation in 2026, requiring streamers to invest at least 4% of their annual revenue in Norwegian-language audiovisual works. Finland intends to implement a levy on streamers in 2028. In **Sweden**, the idea is actively being discussed, while Iceland is preparing a draft law that would require direct investments in local productions or have streamers contribute up to 5% of their Icelandic subscription revenue annually to the Icelandic Film Centre.

Among the big five European audiovisual markets – France, Germany, Italy, Spain, and the UK – **all, with the exception of the UK, have introduced investment obligations**. Germany's government is moving forward with plans to introduce an investment requirement for streaming services and traditional broadcasters operating in the country to make direct investments in audiovisual production. This would complement Germany's existing levy system. Under the draft legislation agreed by the governing coalition, Netflix, Amazon Prime Video and Disney+, along with domestic TV channels, would be mandated to devote a minimum share of their annual revenue to European audiovisual production, with the baseline set at 8% of net turnover generated in Germany. The proposed framework is intended to strengthen the domestic production sector, support local jobs and ensure that international services contribute directly to film and TV output in Germany. Legislators have included flexibility mechanisms, allowing providers that voluntarily invest a higher percentage (for example, more than 12% of their revenues) to benefit from looser obligations on how these funds must be deployed.

The UK has not adopted an investment obligation for global streamers akin to the obligations in other European markets. A recommended streaming levy (suggestion from the Culture, Media and Sport Committee) was formally rejected by the UK government in 2025, with ministers emphasising support for a “mixed ecology” and the value that global streamers

already bring to the UK production sector. Parliamentary evidence and industry submissions have articulated interest in regulatory tools such as levies or investment obligations, but these remain discussion points rather than enacted policy.

Among the CresCine ecosystems, **Flanders, Croatia, Portugal, and most recently Denmark have introduced investment obligations**. Ireland, Estonia, and Lithuania have not yet adopted such policy measures. A proposed levy to fund domestic production has been discussed and studied in Ireland, but it has been put on hold and lacks legislative implementation. Feasibility studies and policy exploration of a streaming levy or audiovisual content fund were prepared to inform government decision-making rather than to mandate contributions from streamers.

The remaining EU Member States without investment obligations for streaming services are small audiovisual markets, such as **Cyprus, Malta, and Bulgaria**.

Investment obligations for streaming services differ between Europe's large audiovisual markets (France, Italy, Spain, and Germany) and smaller European ecosystems. In large markets, **obligation rates are generally higher** and applied to substantial turnover bases. These regimes often require direct investment in national-language productions, impose genre-specific quotas, and mandate minimum shares for independent producers. Compliance is monitored through detailed reporting frameworks, and regulators publish structured annual assessments. As a result, streamers function as **system-level financiers** whose capital materially reshapes domestic production volume, talent circulation, and industrial dynamics.

By contrast, smaller European markets tend to apply lower percentage rates and operate on much smaller revenue bases, resulting in more modest annual totals. Compliance frameworks are frequently hybrid, allowing streamers to choose between direct investments and contributions to national film funds. Public reporting is often less granular. In these contexts, a single high-end drama series may satisfy a substantial share of the annual obligation. Consequently, **streamers supplement rather than structurally transform domestic financing systems**, while incumbent broadcasters and distributors often retain systemic centrality. These differences reflect disparities in bargaining power, market scale, and regulatory ambition, underscoring how investment obligations operate differently across asymmetrical European audiovisual environments.

## Denmark

As of January 1, 2025, Denmark imposed a "cultural contribution" on streaming services like Netflix, requiring a 2% levy on Danish turnover. To avoid an additional 3% surcharge (5% total), streamers must invest at least 5% of their Danish revenue into new local content. Funds support Danish film, TV, and documentaries. To count towards the 5% investment target, productions must have 75% of production material in Danish and meet at least one of these: >50% of the budget spent in Denmark OR >50% of recordings take place in Denmark. Denmark's new cultural contribution streaming levy yielded 94.7 million kroner (approximately €12.7 million) in its first year, paid by 14 streaming services, according to media outlet MediaWatch. According to media reports, A total 17 streaming services signed up and agreed to report on their Danish operations to the Danish Agency for Culture and Palaces, including Prime Video, Google, Netflix, TV 2 Denmark, Disney+, and Viaplay Group. The legal basis of the levy is the Act on the contribution by certain media service providers to the promotion of Danish culture. Denmark considers that the levy, by ensuring that high quality Danish audiovisual content continues to be produced and distributed in the future, will increase the cultural diversity in the choice of works available to the Danish and European audiences (see EC, 2024). The state's revenue based on the cultural contribution is expected to grow in 2026.

## Portugal

Streaming services operating in Portugal must invest 4% of their local income (or at least €4 million) annually in producing Portuguese-language content, including films, series, and documentaries, effective from 2022. Additionally, they must pay a 1% annual tax on "relevant income" to the Instituto do Cinema e Audiovisual (ICA), or a €1 million fee if income cannot be determined. The investments must go toward the development, production, acquisition of rights, or promotion of European works, especially those: 1) originally in Portuguese (the Portuguese language requirement not applying in the case of co-productions with national participation under the applicable treaties), and 2) produced by independent producers. If the direct investment requirement is not met, unspent amounts may be paid as a financial contribution (i.e., a levy) to ICA. Also, according to the rules, at least 30% of the total investment amount shall be made through participating in the financing of writing, project development



and production of independent European cinematographic and audiovisual creative works, originally in Portuguese. The investment made through promotion of European cinematographic and audiovisual works may not exceed 20% (up to 25%) of the total investment. The cumulative investment in own production or in associated companies cannot exceed 30% of the total investment.

## **Croatia**

Streaming services that provide audiovisual media services on demand and are targeted at the Croatian audience must invest at least 2% of their total annual gross revenue in Croatian audiovisual works produced by independent producers or acquire rights to such works. This requirement in the Electronic Media Act is intended to support local independent production and ensure that a portion of streaming revenue contributes directly to the national creative sector. In addition to direct investment, these streaming services must contribute 2% of their annual gross revenue toward the implementation of Croatia's National Programme for audiovisual creation, which typically funds broader industry support measures and development initiatives. The investment may be spread over a two-year period in some cases, allowing flexibility in how investment is allocated to local projects. As part of the regulatory regime in Croatia, Netflix has engaged with the Croatian market through acquisitions of Croatian films that count toward its investment obligation. In 2023, Netflix purchased a package of 12 Croatian films, a transaction highlighted by the Croatian Audiovisual Centre (HAVC) as compliant with the legal requirement for direct investment in local content.

## **Flanders (Belgium)**

Since 2019, Flanders has required video-on-demand providers targeting the Flemish market, including global streamers, to contribute financially to the production of local audiovisual works. Under this regime, VOD providers must either make direct investments in Flemish audiovisual productions or pay an equivalent contribution to the Flanders Audiovisual Fund (VAF). The Flemish Government approved a strengthened investment obligations regime, expanding the scope and increasing the rates for contributions by streaming services and video platforms to support local audiovisual production. The revised framework broadens the scope of the contribution obligation to include online video-sharing platforms in addition to streaming

services. Platforms such as TikTok and YouTube, which were previously not covered by the scheme, are now required to make financial contributions. Under the updated rules, which came into effect in 2025, streamers with turnover above €30 million in Belgium saw their obligation increase from roughly 2% to 4% of their revenue. The updated framework makes clear that eligible “production projects” include films and series.

Google, Meta and TikTok challenged the Flemish decree before Belgium’s Constitutional Court after the region adopted rules requiring video-sharing platforms, as of 2025, to contribute financially to Flemish audiovisual production.

### **Challenges with investment obligations in small markets context**

One core challenge in small-market implementation is uneven uptake. Not all CresCine markets have introduced investment obligations for streamers, which creates a patchwork in which some smaller territories can be deprioritised or effectively ignored by global services that must already commit substantial budgets to compliance in larger European markets. Secondly, evidence suggests that in some small CresCine ecosystems, such as Croatia, global streamers’ investments often concentrate on local films that are made available primarily in the domestic catalogue and do not travel to other territories (see [Kostovska et al., 2025](#)). This limits the extent to which streamers’ investments translate into international circulation, audience reach, and export revenues—the very outcomes that small markets need to offset domestic scale constraints. It also risks reinforcing a “domestic compliance” logic, where obligations are met through local acquisitions without building sustained distribution pathways, sales relationships, or marketing capacity that would help titles travel. In practice, the policy effect can therefore remain largely territorial, rather than strengthening the cross-border competitiveness of films from small markets. While primarily production-focused, these policy measures aim to expand the volume of national works. Yet, increased output does not automatically translate into greater international competitiveness. A further challenge concerns the allocation of investment across formats. In the absence of explicit sub-quotas in investment obligations for investments in films, streamers tend to prioritise series, reflecting their platform-driven business models and subscriber retention strategies. As a result, investment obligations may disproportionately benefit serial content, leaving national film production comparatively under-supported.

### Small markets need stronger support from the legislative framework

In the view of Chris Marcich, President of the European Film Agencies Directors (EFAD) and Head of the Croatian Audiovisual Centre (HAVC), **the existing AVMSD framework does not sufficiently level the playing field for smaller markets**, which require stronger support from the legislative framework compared to markets with greater structural scale and market power.

Although Netflix **licenses Croatian films under its investment obligations**, the supported titles are largely **confined to the domestic catalogue** and are not made available in other territories. This confinement indicates that such investments may have limited impact on international circulation and transnational visibility. In 2023, Netflix included 12 contemporary Croatian films in its catalogue, all from the distributor Blitz. The first film offered by Netflix, *The Diary of Paulina P.* by Neven Hitrec is available only in the Croatian catalogue. Also, Goran Dukić's musical *Do Pigs Go to Heaven?* can be watched only in the global streamers' catalogue in Croatia. The circulation of the rest of the titles is presented in the visual.

Still, some of the interviewed Croatian policymakers emphasise that investment obligations, including when implemented through the licensing of domestic titles, can deliver cultural value by ensuring that Croatian younger audiences have access to nationally relevant films within widely used streaming catalogues such as Netflix.

## Quota policies

*Paul Hammoud*

This section of the report analyses quota rules across the CresCine ecosystems, while also providing a broader overview of these policies at the EU level. Following the 2018 revision of the AVMSD, new requirements were introduced to extend the promotion of European and independent productions to non-linear television broadcasters, including video-on-demand (VOD) services. According to the Article 13(1), these services must now ensure that at least

30% of the titles in their catalogues are European audiovisual works, and that these works are given prominence within the service. The Directive allows for certain exemptions. For example, for services with low revenues or small audiences, or where compliance is practically impossible or unjustified.

All EU countries have implemented the AVMSD minimum of a 30% quota for European works on on-demand audiovisual services, including the CresCine ecosystems (Croatia, Denmark, Estonia, Flanders, Ireland, Lithuania, and Portugal). Large markets such as France and Italy stand out by setting higher or layered quotas, reflecting stronger national-language and independent production priorities.

Several markets apply additional requirements (or sub-quotas) within the 30% quota. France requires 40% of catalogue content to be French-language productions, while Italy dedicates 15% to Italian-language works from independent producers and 3% specifically to original Italian-language films. Belgium (French Community) reserves one-third of its European works quota for French-speaking Belgian productions, and Spain prioritises works in official languages, also promoting independent and female creators. These measures combine cultural promotion with industrial support for local producers.

Quota rules generally apply to both public service media, broadcasters and private on-demand providers of on-demand services, with smaller operators often exempted based on turnover or audience size. Public broadcasters, including those in Lithuania, Portugal, and Flanders, have already been subject to additional responsibilities, requiring them to devote a substantial share of programme time to European works and independently produced work content. These obligations pre-date the AVMSD's quota provisions and were already embedded in earlier frameworks governing broadcasters' investment in independent productions.

France and Italy illustrate how sub-quotas and investment incentives can stimulate national production. Belgium and Austria demonstrate the impact of linguistic and cultural proximity on the distribution of non-national European works. Small markets like Flanders, Lithuania, Estonia, and Portugal balance cultural objectives with practical exemptions for micro-operators.

## State of play in the EU

### Market impact and trends

Across Europe, the implementation of Article 13(1) has contributed to a growing presence of European content in VOD catalogues. Despite progress in recent years, the market for on-demand audiovisual services in Europe remains heavily influenced by US productions. These works continue to dominate catalogue availability across most platforms, enjoying wider distribution and visibility than European titles. Although European works now represent 46% of all film and TV titles on VOD platforms across the EU – 34% from EU Member States – US content still commands a strong position in most national markets. Within European works, 12% come from other European countries, with UK productions occupying a large share of non-EU titles in catalogues. Works from large audiovisual markets such as France, Germany, Italy, and Spain dominate the supply of European content on VOD services. Denmark, the Netherlands, Poland, Sweden, and Czechia maintain levels close to the EU average. In contrast, smaller and less developed markets such as Croatia, Estonia, Greece, Hungary, Lithuania, Portugal, and Slovenia show lower proportions of national and EU works, reflecting more limited production capacity and export reach. Two countries stand out from the general pattern: Austria and Belgium. Both have a relatively low share of national works in their catalogues, but a higher-than-average presence of non-national EU works, mainly originating from culturally and linguistically close neighbouring countries (Grece, 2025).

Across the EU27 and the UK, the share of European content in VOD catalogues varies according to the definitions applied. When European works are defined as European productions together with co-productions involving at least one European production company, they account for around 35% of catalogue titles; this falls to 27% when the category is limited to productions and co-productions in which a majority of participating companies are European. A similar pattern appears for EU27 works: defined as EU productions plus co-productions with at least one producer from an EU Member State, they represent 24% of catalogues, but this falls to 18% when only co-productions led by a majority of EU-based

producers are included. By contrast, UK works, defined as any title involving at least one UK production company, constitute 11% of the catalogues examined across all services (Study on the implementation of the provisions of the revised AVMSD concerning the promotion of European works in audiovisual media services, 2024).

### **General quotas and national specificities**

Most EU countries have transposed Article 13(1) with the baseline 30% quota. However, the Directive's flexibility has allowed Member States to tailor their approaches to local markets and cultural priorities. Some countries like France and Italy have chosen to introduce sub-quotas within the overall 30% quota, prioritising national-language works or productions from independent producers.

France represents the most ambitious case: service providers must dedicate at least 60% of their catalogues to European works, with 40% reserved for original French-language productions. Additionally, the French Regulatory Authority for Audiovisual and Digital Communication (Arcom) can authorise slightly lower proportions—though never below 50%—in exchange for increased investment in new French-language productions by independent companies (Lacourt et al., 2023; Cappello, 2025). In practice, this acts as a form of sub-quota: instead of strictly meeting the full catalogue percentage, providers can fulfil part of their obligation by directly financing the creation of new national-language works.

Italy also applies layered obligations. At least 15% of the European works quota must be dedicated to Italian-language works produced by independent producers in the last five years. In addition, 3% of the total catalogue must be reserved specifically for original Italian-language films from independent producers, functioning as a sub-quota dedicated to film. This ensures that the regulatory effort directly supports national creative output (Lacourt et al., 2023).

Other markets have established narrower sub-quotas focused on original language content. For example, the French-speaking Community in Belgium requires that one-third of the European works quota consist of French-speaking Belgian productions, with the overall quota

gradually increasing from 30% to 40% over five years. Hungary, Poland, and Slovenia have also introduced smaller sub-quotas for works in their respective national languages, ranging from 5% to 15% (Lacourt et al., 2023). Spain obliges providers to dedicate at least 50% of the 30% quota to works in the official language of Spain or its autonomous communities, with additional requirements promoting women creators and independent producers (Study on the implementation of the provisions of the revised AVMSD concerning the promotion of European works in audiovisual media services, 2024).

In Flanders (Belgium), public broadcaster VRT and other linear television services must dedicate most of their broadcasting time to European productions. A “significant portion” of this content must be in Dutch, and at least 10% should come from independent producers. These measures aim to safeguard diversity in television programming and strengthen the visibility of European content for Flemish audiences (Flemish Regulator for the Media, 2024).

## **State of play in the CresCine markets**

### **Flanders**

Since January 2019 non-linear television broadcasters must ensure that at least 30% of their catalogues consist of European works, including a “significant portion” of Dutch-language productions. The obligations apply equally to VOD services of broadcasters and to commercial platforms such as Streamz, which are assessed under the same framework. These European works must also be made easy to find and highlighted to audiences, ensuring that prominence accompanies the quota requirement (Flemish Regulator for the Media, 2024).

Smaller or niche services are not subject to the same requirements. On-demand providers operated by micro-enterprises, or those reaching less than 0.5% of the Dutch-speaking population, are exempt. Flemish authorities define the detailed conditions for exemptions and may also set more specific requirements in the future regarding the share of Dutch-language European works. To ensure transparency, on-demand providers must submit an annual report

to the Flemish Media Regulator on how they meet these obligations, with the results published to inform the sector and the public (Federal Public Service Justice, 2009, Art.157(1-2)).

## Croatia

Croatia requires on-demand audiovisual media service providers to include at least 30% European works in their catalogues. These works must be highlighted prominently, particularly on the cover page, to ensure that European content is clearly visible to audiences. Providers are also expected to progressively increase the share of European works in line with established criteria and methods, supporting a consistent presence of European content across the market (Zakon, 2022, Arts. 27(1), 27(3), 48(8)).

To support compliance, the Council for Electronic Media introduced a Rulebook that defines the criteria and methods for increasing the share of European works. This provides measurable targets and a clear framework for providers to gradually meet the required quotas, ensuring transparency and accountability in the market (Narodne Novine, 2022, Arts. 135–136).

Croatia further strengthened the framework in July 2022 with a regulation specifically targeting independent European productions. This encourages visibility and production of locally and European-made content (Agency for Electronic Media, 2022).

The Rulebook sets out a staged approach for providers with less than the required share of European works. Services with 20–50% European content must reach at least 50% within four years, with annual targets of 30%, 40%, 45%, and 50%. Services with 20–30% must reach 30% within two years, progressing from 25% to 30%. Each film or season of a series is counted individually, and providers offering services across multiple countries must ensure the 30% minimum for each national catalogue. New services start with a minimum of 20%, which must be raised to 30% within the defined timeframe. Compliance is monitored by the Electronic Media Agency, which may request quarterly inspections and supporting evidence from providers. Smaller providers with annual gross income below HRK 3 million or fewer than 3,000 active users per month are exempt, as are services registered abroad but targeting Croatian



audiences if conditions are met. Requests for exemption must be submitted with supporting documentation by 31 January each year, and the Council for Electronic Media reviews and informs providers while protecting confidential business information (Narodne Novine, 2022, Art.5).

## Denmark

Denmark requires that on-demand audiovisual media service providers dedicate at least 30% of their catalogue to European works. These works must also be given a prominent position (Retsinformation, 2020, Order No. 1159, Art.14(1)). Denmark's key public service providers, which include the Danish Broadcasting Corporation (DR), the regional TV 2 stations and TV 2 DANMARK A/S, must follow this obligation (Retsinformation, 2020, Order No. 946 Art.10(1)-976 Art.8(1)-1008 Art.10(1)).

All other on-demand audiovisual media service providers in Denmark, including private and registration-based services, are subject to the same obligations of minimum share and prominence. Exemptions are available for providers with a low turnover or a very small target audience, ensuring that smaller operators are not disproportionately affected by the quota and prominence obligations. The Ministry of Culture is responsible for setting out the guidelines that define what constitutes a small audience or low turnover, as well as the method used to calculate the share of European works in catalogues. Providers are also required to supply information on their compliance to the Radio and Television Board upon request, supporting transparent oversight while keeping administrative demands proportionate to the scale of the service (Retsinformation, 2020, Order No. 1159, Art.14(1)).

Moreover, holders of licences to operate non-commercial television services must also comply with the same 30% European works quota and prominence obligation (Retsinformation, 2021, Order No. 1517, Art.19(1)).

## Estonia

Estonia requires that on-demand audiovisual media service providers ensure at least 30% of their catalogue consists of European works. These works must be clearly highlighted, including information on the country of origin and year of completion, with particular emphasis on productions from the last five years.

In Estonia, on-demand audiovisual media service providers must ensure that at least 30% of the titles in their catalogues are European works. These works must also be clearly highlighted, including information on the country of origin, the year of production, and particular emphasis on titles produced in the last five years. Providers must also draw attention to works they have produced themselves, improving their visibility within the catalogue. Providers operating multiple catalogues across different EU Member States must meet the 30% share of European works in each catalogue separately. Each year, services must report their compliance data to the national regulator by mid-February. This annual monitoring helps maintain transparency and ensures that providers demonstrate how they meet the required share and visibility obligations. These catalogue-based quota and prominence requirements apply specifically to on-demand audiovisual media services and do not extend to video-sharing platforms (Riigi Teataja, 2022, Art.24 ).

Exemptions apply to smaller market players and services with limited reach. Providers are exempt if they meet the economic criteria of a micro-enterprise, have a very small audience, below 1% of national on-demand service users, or if their catalogue is highly specialised in a way that makes applying the quota unreasonable (Riigi Teataja, 2022, Art.24).

While the rules primarily affect around a dozen Estonian audiovisual service providers, the legal definition of video-sharing platforms is broad and covers services established in Estonia or closely linked to the country through ownership structure or economic activity. However, video-sharing platforms are not subject to the 30% European works quota, reflecting the different nature of these services compared to catalogue-based on-demand offerings. There is currently no exact overview of the operators of video-sharing platforms established in the country (Riigikogu, 2022; Riigi Teataja, 2022, Art.24).

## Ireland

Ireland requires on-demand audiovisual media services under its jurisdiction to ensure that at least 30% of the titles in their catalogues are European works. Exemptions may apply for providers with low turnover or a small audience, as well as for services that the Irish media regulator considers unsuitable for these obligations. This flexible approach aims to avoid placing disproportionate burdens on smaller or niche services, while ensuring that most providers contribute to the visibility of European works (Law Reform Commission, 2009, Section 159B).

In addition to meeting the 30% quota, providers must also ensure that European works are clearly visible, accessible and identifiable for audiences to find in their catalogues. The Irish media regulator may specify practical steps for achieving this, such as catalogue design, search and recommendation settings, advertising, and promotional activity. These measures are intended to strengthen cultural diversity, increase audience reach for European content, and ensure that platforms showcase these works in an appealing and discoverable way. Providers may also be required to maintain records demonstrating how they meet these prominence expectations (Law Reform Commission, 2009, Section 159C).

Ireland's system also allows for certain services to be exempt where applying the quota or prominence rules would be impractical or unjustified. This may include services with a very narrow thematic focus, or those offering content that could be harmful to minors, such as violent or pornographic material (Law Reform Commission, 2009, Section 159I).

## Lithuania

Lithuania requires on-demand audiovisual media services to ensure that at least 30% of the content in their catalogues consists of European works. To avoid disproportionate obligations for very small players, Lithuania applies exemptions for services with only a limited market footprint. Providers are not required to meet the 30% quota if their annual turnover accounts for less than 1% of the total Lithuanian audiovisual services market, or if their audience in Lithuania represents less than 1% of viewers. Television broadcasters in Lithuania are expected

to allocate more than half of their programme time—excluding news, sports, games, advertising, teletext services, and teleshopping—to European works where possible. Additionally, at least 10% of the remaining programme time should be dedicated to European works created by independent producers within the last five years. Local television programmes are exempt from these requirements. Reports on the implementation of these provisions are submitted every two years to the European Commission (Register of Legal Acts, 2025, Art.37(6)).

## Portugal

Portugal requires on-demand audiovisual media services to ensure that at least 30% of the titles in their catalogues are European works, with a clear focus on local language content. At least half of this quota must consist of independently produced European creative works in Portuguese that were released within the last five years. Television broadcasters also have obligations to promote independent local production. At least 10% of their programming (excluding news, sports, competitions, advertising, teleshopping, and teletext) must consist of independently produced European creative works in Portuguese made within the last five years. Generalist channels must dedicate at least half of this quota to these works. Only the first five broadcasts of each title may be counted when calculating compliance (Diário da República, 2007, Law no. 27/2007).

Portugal applies proportionate rules for smaller and niche operators. Providers with low turnover or limited audience share may be exempt from the 30% quota and prominence requirements (Diário da República, 2007, Law no. 27/2007).

To monitor compliance, the Regulatory Authority for Social Communication (Entidade Reguladora para a Comunicação Social), publishes a report every two years detailing how these obligations are being implemented. The report is prepared in cooperation with the Instituto do Cinema e do Audiovisual to ensure effective data collection and sector monitoring (Diário da República, 2007, Law no. 27/2007).

## Sales markets and dynamics of global distribution

*Ivana Kostovska*

The contemporary European distribution landscape is characterised by heightened concentration, intensified competition for audience attention, and increasingly risk-averse acquisition strategies. Within this environment, films originating from small audiovisual markets face compounded structural constraints. Limited domestic scale and monetization options restrict their ability to generate strong box-office, while their sales prospects in transnational films sales networks remains comparatively weak. As global buyers consolidate and audience behaviour becomes more cost focused, circulation opportunities for mid-budget and non-event films have significantly narrowed.

The interviews reveal a distribution ecosystem that is more selective and more polarised than in the pre-pandemic period. Acquisition decisions are increasingly title-specific rather than portfolio-based, reducing the space for cross-subsidisation of costs within packages. Festival recognition can function as an **entry ticket into global markets**, yet it by no means guarantees downstream sales. In highly concentrated acquisition environments, the absence of a deal with a major multinational buyer may itself operate as a negative signal, reinforcing visibility hierarchies.

Across CresCine markets, films and companies typically build international sales momentum through structured presence at major sales markets, especially the European Film Market (Berlin) and the Marché du Film (Cannes), where producers, distributors, sales agents, buyers and financiers meet to buy and sell rights and package financing, production, and distribution deals. This presence is often supported, **organised and branded by screen agencies** through national stands, pavilions, and curated market screenings rather than ad hoc attendance or commercially motivated self-investment of the producers. Screen Ireland, for example, hosts an Irish stand at EFM and manages an Irish Pavilion in Cannes to support Irish producers and promote titles in the market. Denmark's DFI similarly operates a stand and uses EFM market screenings to position Danish titles to international industry and festival stakeholders. Smaller

markets also pool visibility via regional umbrellas, as seen in or the Baltic country pavilions at the Marche Du Film that position Estonia and Lithuania alongside neighbouring industries.

This **market presence** and visibility matter because export sales remain territory-based and increasingly relationship-driven. Markets reduce search costs for buyers and create **predictable moments for deal-making**. Cannes, for instance, concentrates national pavilions and business activity in one place under the Village International locale and branding and is explicitly framed around discovering films and securing partnerships and deals. For CresCine films, being visible in these settings strengthens the likelihood of sales to export territories by enabling access to sales agents and buyers, signalling institutional backing, and supporting coordinated campaign materials and meetings that a small domestic market alone cannot generate at scale.

**Smaller sales markets and festival-linked industry platforms** matter because they offer lower-cost, high-visibility entry points for films from small markets as well as specific targeting options for specialty audiences and industry professionals. Smaller markets also compete with larger players due to significantly lower costs of entry vis a vis Berlin or Cannes. They are often more curated than Marché du Film – Festival de Cannes or the **European Film Market (EFM)**. They focus on matchmaking and work-in-progress access to sales agents and distributors focusing on the promotion of small territory or national works. This can be decisive for CresCine titles that are not yet packaged with a top-tier international sales company.

Several of these “smaller” hubs are regional or specialised, and they explicitly frame their role as **connecting projects and work in progress to sales agents, distributors, and buyers**. Examples include Sarajevo CineLink (projects presented to producers, funders and sales agents), Thessaloniki AGORA (designed to help filmmakers reach sales agents and distributors), and Industry@Tallinn & Baltic Event (co-production market and works-in-progress showcases that are explicitly for projects seeking sales agents and festival premieres).

**Specialised markets** can also be strategically important when the film sits in a format where deals are concentrated elsewhere. Annecy’s MIFA is a key market for animation with a large buyer/distributor presence. Clermont-Ferrand’s Short Film Market plays a similar role for

shorts. Les Arcs Industry Village positions works-in-progress in front of sales agents and distributors in a European indie context. The limitation is that many of these are not full “rights markets” in the Cannes/Berlin sense. They are often development/financing and work-in-progress (WIP)-driven. But they can still translate into export sales by helping films secure sales representation, trigger pre-sales conversations, and build credibility ahead of bigger market moments.

### **Challenges: Market selectivity and the shrinking space for mid-range European films**

**Selective buyers.** In the interviews, distributors emphasise that the market has become increasingly more selective. *“You don’t buy under packages, and you don’t sell under packages,”* argues a distributor, noting that both buyers and audiences are increasingly *“cherry picking.”* Festival “buzz” can help “open some doors,” especially after a high-profile festival launch, but he underlines that it is not a guarantee. In his view, if a title was not picked up by “global buyers” or “multinational buyers,” this can also be read by the market as a negative signal.

**Challenges for “middle class” European films.** Distributors agree that “middle class” European films are under particular pressure. While a small number of national titles and a few non-national European films may be performing “even better than before COVID,” many mid-range films—such as French or Italian comedies without major awards, nominations, or festival hype—are suffering a lot. Distributors describe a “vicious circle” in which exhibitors respond rationally to this underperformance by concentrating showtimes and screens on films that feel like “an event.” Some interviewees resisted casting exhibitors as “bad guys,” stressing the economic reality that they need to cover salaries, loans, and rents in the short term, even if this strategy increases long-term dependence on US studio product and narrows audience habits over time.

**Tougher environment for “average films.”** According to some interviewees, expectations of success have shifted downward. A distributor gave the example of a French black comedy that his company released in Spain under a changed title, which reached around 70.000 admissions. He frames this as “a success now” for an independent French comedy, while adding that ten years ago the same type of film could have achieved 150.000–200.000

admissions more routinely. This recalibration, he argues, is symptomatic of a tougher environment for “average films” that do not arrive with awards, nominations, or strong market hype.

**Cinema release directly linked to the long tail of exploitation.** Despite these constraints, distributors insist that theatrical release remains strategically important for independents, not for “romantic” reasons but because it is “*the only tested and proven*” and “*cost-effective way*” to “*generate a brand*” around a film. Cinema release is linked directly to the “long tail” of exploitation.

*“Later windows—pay TV, free TV, regional broadcasters, transactional VOD, subscription VOD, and ultimately FAST channels—depend on that earlier brand-building and proof of performance”*

#### *-Interviewed distributor from a large European territory*

The interviewed distributor contrasts this with Netflix’s ability to create brand visibility without cinemas through “outdoors” and large-scale campaigns. Independent distributors cannot afford to “*spend money only to go to the digital side*” because “*there is no return enough*,” making cinema the most cost-effective route to signal value and support downstream monetisation. In this context, the distributor also observes that streamers increasingly behave “*like the old television*,” preferring library titles that can demonstrate they “*have been working well in other windows*.”

**Producers in small markets are increasingly expected to take on “co-selling” roles.** Reaching major festivals remains the primary “key for unlocking international markets.” While Cannes, the EFM in Berlin, and Venice remain the most vital hubs for CresCine ecosystems, access has become more selective, and sales outcomes are increasingly concentrated among a few outlier films. Producers in small markets are increasingly expected to take on “co-selling” roles, actively contributing to international distribution efforts alongside sales agents as well as delivering E&O insurance compliance, materials for the sales agents for distribution (whereas this function was offered by sales agents only as short as prior the pandemic).



**Fragmented distribution sectors and limited distributor capacity.** Some CresCine ecosystems face the challenge of fragmented distribution sectors and limited distributor capacity. Independent distributors face structural constraints, including rising marketing costs, limited bargaining power in a globalized film industry, and increasing operational risks, while often lacking access to public support. A key recommendation is to enable slate-based or operational support for these independent entities.

**Difficulties for audience access.** For Some interviewees also pointed out that festival requirements for international premieres can create difficulties for audience access, as films may have to wait for their festival premiere before becoming available to viewers.

**Importance of visibility and new business models.** Several interviewees highlighted the importance of strengthening the visibility and circulation of European films across digital environments. In this context, Pierre-Alexandre Labelle, co-founder of the digital distribution company *Under the Milky Way*, drew a clear distinction between availability and visibility in digital distribution, arguing that the former is the necessary condition for the latter. As he put it, “*if you’re nowhere to be seen, then the rest doesn’t mean much.*” He emphasised the continuing centrality of Apple, Amazon and Google as non-selective transactional platforms, contrasting them with smaller European platforms, which he described as generally operating with an editorial line and selective approach. He also linked TVOD and AVOD models to the generation of granular usage data and pointed to YouTube’s ad-supported film offer as an increasingly relevant development, noting that films distributed there can generate revenue on the basis of viewing minutes and advertising, and concluding that “*with YouTube, there’s definitely a business model.*” More broadly, he identified limited digital distribution knowledge among producers, territorial rights fragmentation and the limitations of traditional sales structures as persistent obstacles to wider digital circulation.

Pierre-Alexandre Labelle explained that *Under the Milky Way* sees its role as one of “intermediation,” linking fragmented film catalogues with digital platforms and the data infrastructures needed to support their distribution. He noted that this positioning emerged gradually as the company moved from a more content-oriented focus towards a stronger technological orientation, driven by the practical demands of managing rights, reporting and

performance data across large catalogues, multiple territories and numerous platforms. Within this model, he referred to *Claudia* as a self-service distribution tool designed for independent producers seeking access to platforms, invoicing, payments and data without the level of hands-on support provided to major catalogue clients. *Under the Milky Way* received support from the French Ministry of Culture for the further development of *Claudia* and in 2025, 19 films were distributed through the tool.

## Conclusions

*Ivana Kostovska, Paul Hammoud*

Distribution and circulation are bottlenecks for competitiveness of films from small European territories. In the CresCine ecosystems, “smallness” is expressed also in circulation and constrained ability to absorb risk translates into weaker negotiating positions in transnational distribution networks. Across the markets covered, bargaining power is closely tied to scale. For national films, the domestic market rarely generates the kind of performance effect that can substitute for a festival breakthrough.

The analysis also shows that CresCine policy toolkits still concentrate on festival access and short-term international promotion. These measures are important, but they do not resolve the gap between festival visibility and sustained commercial circulation. Dedicated support for distribution and international circulation is limited in small markets, and mechanisms that build reinvestable capacity from international exploitation, including multi-territory SVOD availability, remain typical of policy toolkits in large markets.

Most CresCine ecosystems rely on contractual negotiation and funding conditions rather than statutory media chronologies in terms of windowing. This can provide flexibility, but it also leaves smaller titles exposed in an environment where attention is concentrated and cinema runs are shorter. The Danish Film Agreement’s “low-selling titles” measure illustrates a concrete policy shift. By requiring faster digital availability for films with limited theatrical prospects, it moves away from uniform protection of cinema exclusivity and towards performance-contingent windowing. The underlying logic is clear and could inform similar measures in other small markets. Where theatrical turnover is rapid, long holdbacks impose opportunity costs and reduce the ability to reach audiences across different windows.

The interview evidence points in the same direction. Buyers and audiences are increasingly selective, and acquisitions are more title-specific, leaving less space for the kinds of “middle-class” European films that used to travel through steady theatrical play and gradual downstream exploitation. Festival “buzz” can open doors, but it no longer guarantees sales. In

the changing environment, theatrical release still matters for independents because it remains the most cost-effective way to build a recognisable “brand” for a film and support the long tail across pay TV, free TV, TVOD, SVOD, and FAST. At the same time, distributors see digital circulation as a practical opportunity for titles that are unlikely to find scale in cinemas, particularly genre films, but they emphasise that digital discoverability requires resources and coordinated strategy.

Overall, the report suggests several recommendations in form of forward-looking scenarios for policy stakeholders in the CresCine ecosystems.

### **Scenario 1: Lifecycle optimisation**

A first strategic scenario would involve recalibrating policy frameworks to treat circulation capacity as a core competitiveness pillar. This implies greater emphasis on distribution expertise, international sales positioning, and multi-window exploitation strategies. The objective is not to reduce production support, but to align it more closely with downstream market outcomes and international reach.

### **Scenario 2: Flexible windowing for films with limited theatrical prospects**

As theatrical runs shorten and on-demand viewing expands, uniform windowing practices may reduce the ability of smaller titles to capture audiences across platforms. A second scenario envisions more flexible and performance-sensitive release strategies, allowing films with limited theatrical prospects to move more quickly across windows. The aim is to reduce opportunity costs and extend audience access without undermining the strategic value of cinema.

### **Scenario 3: Strengthening bargaining power through capacity building**

Given their limited scale, small-market distributors and sales agents often operate with constrained risk-bearing capacity. A third scenario focuses on enhancing the structural position of distributors within transnational networks. This would involve reinforcing professional capacity, cross-border collaboration, and sustained market presence. The goal is to improve negotiating leverage in increasingly selective and concentrated global distribution networks.

#### **Scenario 4: Linking investment obligations to circulation outcomes**

Investment obligations for streaming services represent an important financing mechanism, but in small markets they risk remaining confined to domestic catalogue presence. A fourth scenario would place greater emphasis on how such obligations contribute to cross-border availability, visibility, and international performance. The objective is to ensure that regulatory frameworks (including also quota and prominence policies) not only stimulate production but also enhance circulation and market access.

#### **Scenario 5: Multi-window coordination as a competitiveness tool**

In a fragmented viewing environment, films require coordinated release strategies across cinema, transactional, subscription, and advertising-based windows. A fifth scenario outlines the importance of integrated planning and discoverability strategies that extend the lifecycle of titles beyond their initial theatrical exposure. This approach recognises that circulation outcomes depend on strategic sequencing.

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