

## Information to our international partners

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### Let us share small and big successes

*The streaming services' buy-out model undermines the Danish market and threatens to erode the basis for Danish content production, as we know it today. For those involved, it is a bad deal compared to what they would be paid under the Danish creative rights model.*

*For this reason, the artists' associations: Danish Actors' Association, Danish Writers' Guild and Danish Film Directors now suggest that the streaming services apply the Danish creative rights model to all future agreements they sign with the artists.*

*Fact: Under the Danish creative rights model the production costs for Danish productions are kept low (this is necessary because the language field is small). This is possible because the artists receive supplementary rights payments on a recurring basis. The alternative would be a higher salary. The Danish creative rights model has been well functioning in all Danish productions for 30 years.*

The streaming services' progress and development in producing shows for streaming is, in many ways, exciting and it is an opportunity to experience significant cinematic storytelling on new platforms. Unfortunately, they apply a financial model that poses a threat to everyone within the Danish film and series productions: the viewers, the television broadcasters, the producers and the creative and performing artists, etc.

Therefore, a group of Danish artists' associations is joining forces and want, on behalf of their members, to have a dialogue with the streaming services in which they address how essential it is that all future agreements will become part of the Danish creative rights model. They want to ensure this through the collaboration called Create *Denmark*.

### **The money disappears from Denmark in a buy-out model**

The problem with the streaming services' use of a buy-out model is that they buy out everyone up front and only the streaming service profits from all the revenue generated through subsequent use of the production.

"Streaming services should, of course, be able to conduct proper business but they have to pay the actual costs and they must respect the system we have in Denmark. It is the core of our system that you can produce [film and series] for a relatively low salary because we all get a share of the productions' earnings. If we accept their model, we risk that the earnings from Danish productions disappear from Denmark," says Benjamin Boe Rasmussen, Chairman of the Danish Actors' Association.

### **Mutual success and risk in Danish productions**

The artists' associations want to ensure two specific elements:

- The creative and performing artists are paid extra if the productions are successful.
- That the success contributes to reinvestment in new Danish [film and series] productions, as it is already done within the industry today.

"If we share the success and risk (as used to), we take risks collectively and that is, fundamentally, a healthy principle that has been the key stone in the ecosystem for Danish content production. Even though the streaming services make good Danish productions these days, Netflix's purpose is, for instance, not to please a Danish audience but a global one.

This is evident within the streaming service's motto; *Local productions for a global audience*," says Christina Rosendahl, Chairman of Danish Film Directors.

### **Significantly lower earnings in a buy-out model**

Several comparisons show that the artists end up with much lower earnings in a buy-out model than in the Danish creative rights model. "The streaming services' buy-out model does not, in any way, accommodate the possible earnings the Danish scriptwriters, actors and directors would receive under the current Danish creative rights model. If we accept the streaming services' conditions, we risk a future with significantly lower earnings, in general. We cannot accept that," says Nikolaj Scherfig, Chairman of Danish Writers' Guild.

### "The Danish Creative Rights Model": joint risk and joint success

Supplementary right payments are e.g.:

1. Payments from the Danish Copydan system (cable retransmission, digital services, educational usage, private copying levies etc.)
2. Rerun fees
3. Royalties (from sales etc.)

The Danish creative rights model is implemented in collective agreements and standard practices and is significant to Danish artists. It has existed for many years and is well integrated and fully functional. The Danish market is used to the model and can relate to it.