

Act on the Icelandic National Broadcasting Service, a public-service medium

2013 No 23, 20 March

Entry into force 22 March 2013 with the exception of Article 7, third paragraph, which entered into force on 1 January 2014, and Article 4, Article 7, fourth paragraph, and Article 14, first and second paragraphs, which will enter into force on 1 January 2016. Amended by Act No 54/2013 (entry into force 12 April 2013; EEA Agreement: Annex XI, Directive 2010/13/EU), Act No 89/2013 (entry into force 16 July 2013), and Act No 140/2013 (entry into force 31 December 2013 with the exception of Articles 1–2, 4–12, 16–18, 23–29, 31–32, 34–38 and 40–48, which entered into force on 1 January 2014, and Article 21, which will enter into force on 1 January 2016; implemented pursuant to the provisions of Article 49).

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

Section I General provisions

■ Article 1 *Objective*

□ The purpose of this Act is to promote democratic discussion, cultural diversity and social cohesion in Icelandic society through the provision of media services based on a public service remit. The task of providing the services shall be entrusted to the Icelandic National Broadcasting Service [hereinafter „the INBS“] as further stipulated in this Act. The INBS is a national medium and shall fulfil its diverse remit with due regard to the values of professionalism, ambition, integrity and respectfulness. It shall devote particular attention to the language and culture of Iceland, the history of its people and its cultural heritage.

■ Article 2 *Ownership, and contract to provide media services in accordance with a public service remit*

□ The INBS is an independent entity with the legal form of a “official public limited company”, wholly owned by the Icelandic state. Neither the INBS as a whole, nor any part of it, may be sold, merged with other companies or dissolved.

□ In order to fulfil its remit pursuant to this Act, the INBS may own, lease or operate equipment and assets of any type, including subsidiary companies, real estate and technical equipment.

□ The INBS shall be authorised under this Act to broadcast on any channel or frequency currently at its disposal or that it may be allocated at a later date.

□ The Minister shall conclude a contract with the INBS to provide media services in accordance with a public service remit for periods of four years at a time. The contract shall contain further provisions on the purpose, remit and scope of activities carried out pursuant to Articles 1 and 3, as well as any attending obligations. It shall also contain provisions on the financing of media services falling under the public service remit over the entire contract period.

Section II Remit and obligations

■ Article 3 *Media services falling under the public service remit*

☐ The following shall apply to media services falling under the public service remit of the INBS:

1. The purpose of providing media services in accordance with the public service remit of the INBS shall be to fulfil the democratic, cultural and social needs of Icelandic society through the dissemination of text and audiovisual material.

2. Using various technical means, the INBS shall produce and distribute programming that is diverse and of high quality to all people in Iceland, irrespective of their place of residence. The INBS shall take measures to ensure that news broadcasting and production activities can take place outside the capital region, including at permanent establishments operated in selected regions.

3. Programming shall at a minimum consist of news and news commentary, educational programmes, sports coverage, varied light entertainment, programmes on arts and culture, and special programmes for children and young people.

4. The INBS shall broadcast to the entire country and the immediately adjacent fishing grounds on at least two radio channels and one television channel all year round. It shall also publish selected parts of its material, altered or unaltered, together with other service material in altered or unaltered form, in other media, including making material available to the public in such a way that each individual is able to access the material in a location and at a time of his or her own choosing ('on demand').

5. The INBS shall cooperate with the competent authorities to provide vital security services by distributing information through broadcasts as well as through other channels of communication when appropriate. For this purpose, the INBS shall adopt a security policy aimed at guaranteeing the uninterrupted operation of radio services covering the entire country as well as the fishing grounds closest to shore.

6. The INBS shall preserve any sound recordings, films, audiovisual material and other historical items that may be considered to be of cultural and historical value to the Icelandic people and that are not specifically covered by the Legal Deposit Act. The INBS shall ensure the best possible access to archive material, whether for private use or for commercial exploitation by independent producers. Recognised museums, libraries, etc., may be entrusted with the preservation of the aforementioned items of cultural and historical value, which may not be sold, given away or destroyed except in accordance with an opinion issued by the Museum Council pursuant to the Museums Act.

7. The INBS shall create a forum for the participation of the public in the formulation of public service media policy as further stipulated in its Articles of Association.

☐ The INBS shall fulfil its democratic remit by, amongst other things:

1. upholding basic democratic principles, including those relating to human rights and the freedom of expression and opinion;

2. providing broad, reliable, general and objective news and news commentary services covering domestic and international current events;

3. being a forum for different opinions on subjects that are on the public agenda at any given time and that are of concern to the general public;

4. reflecting the diversity of human endeavour, world views and living conditions in Iceland;

5. disseminating information and providing people in Iceland with an insight into international affairs, different cultures and contrasting points of view;

6. striving for gender equality as far as the activities and programming of the INBS are concerned;

7. running features on the parties contesting general elections and on the main policies of each party, candidate or grouping, as appropriate, and reporting election results in detail.

Further, it shall provide all valid candidatures for parliamentary or presidential elections, as well as all groupings representing different standpoints in referendums, equal opportunity to present their policies on television during regular programming hours. The INBS shall make public the rules governing this. In the case of parliamentary elections, the broadcasting time allocated to parties that do not stand in all constituencies may be limited to a proportion of the total broadcasting time equal to the proportion of constituencies in which they stand.

☐ The INBS shall fulfil its cultural remit by, amongst other things:

1. devoting particular attention to the Icelandic language;
 2. featuring the history of the nation, its cultural heritage and its natural environment;
 3. providing varied and high-quality cultural programming and covering different aspects of the cultural, artistic and sports scene in Iceland and abroad, while also being a forum for discussion and the exchange of opinion on Icelandic culture and society;
 4. producing programmes on arts and culture, whether independently or in collaboration with partners, with a particular emphasis on fiction, as well as reflecting contemporary Icelandic cultural life. The INBS shall be an active participant in the production of Icelandic films, including through purchases from independent producers. The contract entered into between the Minister and the INBS pursuant to Article 2, fourth paragraph, shall stipulate the minimum percentage of programmes to be purchased from independent producers;
 5. producing and distributing varied programming suitable for children and young people;
 6. distributing light entertainment and cultural programmes suitable for people of all ages.
- Foreign programming shall be sourced from various cultures, with an emphasis on Nordic and other European material.

☐ The INBS shall operate in such a manner as to:

1. set a good example regarding quality and professionalism;
2. ensure that reporting, interpretation and production activities are governed by fairness and objectivity, that information is sought from both, or all, parties to any debate, and that their points of view are presented as far as possible on an equal footing;
3. ensure that all information is based on reliable sources and presented and processed in a fair way;
4. respect the privacy of the individual in news reporting and programming, except where the democratic remit of the INBS and the public's right to be informed dictate a different approach;
5. maintain programming and editorial independence from any political, ideological or economic interests;
6. practice high-quality and critical journalism and delve into, amongst other things, those actions by public authorities, societies and businesses which may impact on the interests of the public;
7. make programming decisions based on professional considerations.

■ **Article 4** *Other types of activity*⁽¹⁾

☐ The INBS shall set up and operate wholly-owned subsidiaries around any type of activity not provided for in Article 3. The INBS may also be a shareholder of undertakings engaged in the production, post-production or diffusion of programming.

☐ The purpose of subsidiaries operated by the INBS shall be to strengthen the activities of the parent company by making use of its technical equipment and distribution network, as well as of the specialised skills of its staff and other facilities, for activities other than those covered by Article 3. The functions of the subsidiaries shall include the compilation, publication and distribution of all types of previously produced material in the possession of the INBS, as well as the sale of distribution rights for the company's programming, and the manufacturing and marketing of products connected with the company's production of programmes pursuant to Article 3. Each subsidiary may enter into agreements with other undertakings on the

abovementioned activities. The INBS shall set the rates to be charged for such activities and publish them on its website.

☐ The INBS shall entrust its subsidiary with the task of selling space for commercial communications in the company's media, as provided for in Article 7. A separation of accounts shall be maintained between the sale of space for commercial communications pursuant to Article 7 and any activities pursuant to Article 3.

☐ Activities carried out by subsidiaries of the INBS pursuant to this Article shall be subject to legislation that applies to commercial companies. All transactions between the INBS and its subsidiaries shall be conducted on commercial terms.

☐ Measures shall be taken to ensure editorial independence between the INBS and its subsidiaries.

☐ Provisions on the composition of the boards of the INBS's subsidiaries shall be set out in its Articles of Association.

⁽¹⁾*This Article enters into force on 1 January 2016 as stipulated in Article 19.*

■ **Article 5** *Separation of accounts*

☐ A separation of accounts shall be maintained between all activities relating to media services falling under the public service remit pursuant to Article 3 and any other activities pursued by the INBS or its subsidiaries. The INBS may not use funds generated by activities pursued in accordance with Article 3 to subsidise the cost of any other activity. Any net profit deriving from the activities of subsidiaries shall be used for activities provided for in Article 3 and, where appropriate, for increasing the capital of the INBS as further decided at its annual general meeting.

■ **Article 6** *Subtitling and sign language interpreting*

☐ Foreign-language material shown on the INBS's television channel shall be accompanied by an Icelandic voice-over, Icelandic dubbing, or Icelandic subtitles, as appropriate in each case. However, this shall not apply to song lyrics in a foreign language or to the live transmission via satellite and ground station of news or current affairs programmes dealing largely with events as they take place. In such cases the broadcast shall be accompanied, where possible, by a recapitulation of the events being televised or by subtitling or a presentation in Icelandic. Great importance shall be given to both spoken and subtitled text being in flawless Icelandic.

☐ The INBS shall provide access to media services falling under its public service remit to persons with a hearing disability by way of subtitling of news and other televised programmes, teletext, broadcasts in sign language and/or other means of dissemination deemed suitable for this purpose and which are technologically feasible at each time.

☐ The contract entered into between the Minister and the INBS pursuant to Article 2, fourth paragraph, shall stipulate the measures to be taken to provide adequate access and service to those who on account of a disability or for other reasons are unable to take advantage of traditional media services provided under the public service remit.

☐ In cases where the regular programme is interrupted, or where special news bulletins are broadcast in exceptional circumstances, the INBS shall make any important message or news bulletin accessible to persons with a hearing disability through sign language interpreting and/or subtitling.

☐ The INBS shall seek ways to meet the needs of persons with impaired vision through technical means.

■ **Article 7** *Commercial communications*

☐ Commercial communications shall be clearly distinguishable from other programming of the INBS and shall occupy a moderate proportion of its broadcasting time.

☐ The INBS may not generate income by arranging sponsorship for its programming; however, this may be derogated from:

a. in the case of the broadcasting of particularly lavish programmes, in order to cover production costs or the cost of acquiring broadcasting rights;

b. in the case of the broadcasting of domestic sports events and coverage of those events.

☐ The INBS may not interrupt individual television programmes by commercial communications; however, this may be derogated from in the case of the broadcasting of particularly lavish programmes or own productions of at least 60 minutes' length. The INBS shall lay down rules governing the exceptions referred to in the first sentence above.

☐ In the case of audiovisual broadcasting, the proportion of commercial communications and teleshopping spots within a given clock hour shall not exceed eight minutes. For the purpose of this provision, the following are not considered commercial communications:

a. announcements by the INBS regarding its audiovisual programmes and ancillary products derived directly from those programmes, sponsorship announcements and product placement announcements as well as virtual advertising;

b. announcements concerning public services and appeals for assistance from charitable organisations which are broadcast free of charge.⁽¹⁾

☐ The INBS shall set rates to be charged for commercial communications and make them public. The INBS shall endeavour to treat its customers equally in relation to the sale of space for commercial communications. Discounts offered to sponsors and advertisers shall be transparent and must be available to all customers making similar purchases.

☐ The INBS may not sell space for commercial communications on the world wide web. However, it may publish on its website such commercial communications and sponsorship messages as form part of its scheduled broadcasts. Furthermore, the INBS may publish on its website commercial communications and sponsorship messages that are specifically linked to webcasts, as well as presentations of its programme schedule and any related services and products.

☐ Product placement shall not be permitted in programming produced by the INBS itself and/or in collaboration with other domestic parties, nor in programming produced specifically for the INBS. However, the INBS may make use of specific filming locations or props or refer to specific services on account of their usefulness and/or for artistic purposes, provided that this is done in an unobtrusive way.

☐ The INBS shall lay down rules governing the broadcasting of commercial communications and the sponsoring of programming pursuant to this Article, including regarding the interruption of programmes by commercial communications, and publish those rules on its website.

⁽¹⁾*This paragraph enters into force on 1 January 2016 as stipulated in Article 19.*

Section III Administrative structure

■ Article 8 Minister's mandate

☐ The Minister shall administer the Icelandic state's share in the INBS.

☐ The rights and obligations of the INBS shall be specified in further detail in its Articles of Association.

■ Article 9 Board of Directors

☐ The Board of Directors of the INBS shall be elected at its annual general meeting. The annual general meeting shall be held before the end of January each year. The Board of Directors shall be composed of [nine]⁽¹⁾ members and an equal number of alternates. In the case of a tied vote the Chair shall have a casting vote.

☐ [Prior to the election of board members at the annual general meeting, the Althing shall appoint, by proportional vote, nine members and an equal number of alternates, to be elected to the Board of Directors.]⁽¹⁾