

Research, analysis and opinion on international media law

Foreign investment in the US media sector expected to rise



PwC's media report indicates "foreign buyers armed with cash, particularly from China" will be increasingly active in film and content sector

Foreign investment in the US media and entertainment industry is expected to increase during 2016 as PwC's latest report predicts a rise in business projects.

The report on merger and acquisition activity shows deal value was up by 6 per cent during the last quarter of 2015 rising to USD 18.3 billion, an increase from its lowest point in two years at the start of 2015 when deal value reached USD 10.4 billion.

The PwC report, *US Entertainment, Media & Communications Deal Insight*, highlights predictions of increased investment, notably from China, in the film and content sector.

The report states: "We expect foreign buyers armed with cash, particularly from China and the Middle East, will enter the scene in the coming quarters as Hollywood studios navigate complex international distribution rules, predominantly in these markets, for their piece of this growing [filmed entertainment] pie."

The first quarter of 2015 was marked by a slowdown in "megadeals"—those valued at USD1 billion or more—and a rise in large and middle-market deals. Wanda's acquisition of Legendary and Verizon's purchase of XO Communications are the quarter's two →

Print media delivers highest return for Ireland's advertisers

Print media advertising produces the highest rate of return on investment in Ireland, according to the most comprehensive study ever undertaken nationally.

Research conducted by Independent News and Media Ltd (INM), publisher of five national and 13 weekly regional newspapers in the Republic of Ireland, in association with Amarach Research, shows print media outperforms all other mediums including television and radio.

Key findings show advertising in print media is up to twice as effective as television advertising for the automotive sector, print advertising provides a return of EUR 35 for every EUR 1 spent in the retail sector and produces EUR 8.10 for every EUR 1 spent in the finance industry.

At a launch event in Dublin in May, INM Chief Executive Robert Pitt described print as an influential medium that drives potential customers to other channels as many online visits are prompted by print advertising.

Mr Pitt said: "If you're not in print - and if you're not in print with a strategy that goes across digital media as well, and other channels, you're letting your customer down."

The study shows that advertising drives 25 per cent of all sales delivered by the media.

Karen Preston, Group Advertising Director, said: "In recent years much of the conversation around print has been about its decline, however this extensive research demonstrates that the print channel plays a significant role in the marketing mix and cannot be underestimated in any manner." ■

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Egyptian Media acquires prime satellite channel ON TV

Egyptian Media has signed a 100 per cent stock acquisition deal with telecoms billionaire Naguib Sawiris for his satellite television channel ON TV.

In an official statement issued on 15 May, Egyptian Media's CEO, Ahmed Abou Hashima, stated the deal will 'reinforce Egyptian status in the media sector and present a comprehensive and developed media that is both professional and attractive and also functions in accordance with the state and people's aspiration for growth and stability.'

Mr Abu Hashima, who is also chairman of the Egyptian Steel Group, said the move to acquire ON TV will "pump investment into domestic media" and has described

outlined plans which will lead to wider national expansion that includes more acquisitions and launches.

According to Mr Abu Hashima: "Buying ON TV is a first step in a plan that includes the purchase of another channel and other future media projects that include launching satellite channels, the production of TV series, and online streaming through a group of channels aimed at Egyptian youth."

Egyptian Media will launch English content as part of its expansion plan that aims to "reclaim Egypt's media standing in the Middle East and the world".

The steel tycoon is known for his financial support to the Future of the Homeland party,

Greater recognition for gaming sector needed, say experts

As the UK games industry reaches more than GBP 4.1 billion in value, game developers call for greater recognition from the government and education sector.

Speaking at Insider's South East Gaming Technology Round Table, which was sponsored and hosted by Guildford law firm Charles Russell Speechlys, industry experts discussed principal areas such as office space for start-ups, funding for games development, collaboration between games developers and other technology companies and broadband connectivity.

The round table event held on 18 May brought together game developers, technology specialists and other professional experts who say there is still a perception, particularly in the education sector, that games are just "frivolous pursuits".

Jo Twist, CEO of the UK Interactive Entertainment, explained: "We need to break down the cultural bias that we still have from leaders in the education system and the narrative remains that games are a frivolous pursuit and this needs to change."

He added: "There is still a lack of understanding from leaders in schools, FE and HE about the power of the games industry and what it actually is. Unless we get the message across that games are not for young people only, things just won't change."

There are approximately 1,900 games studios and games companies across the

Tax incentive for foreign film production

Pilar Sanchez-Bleda



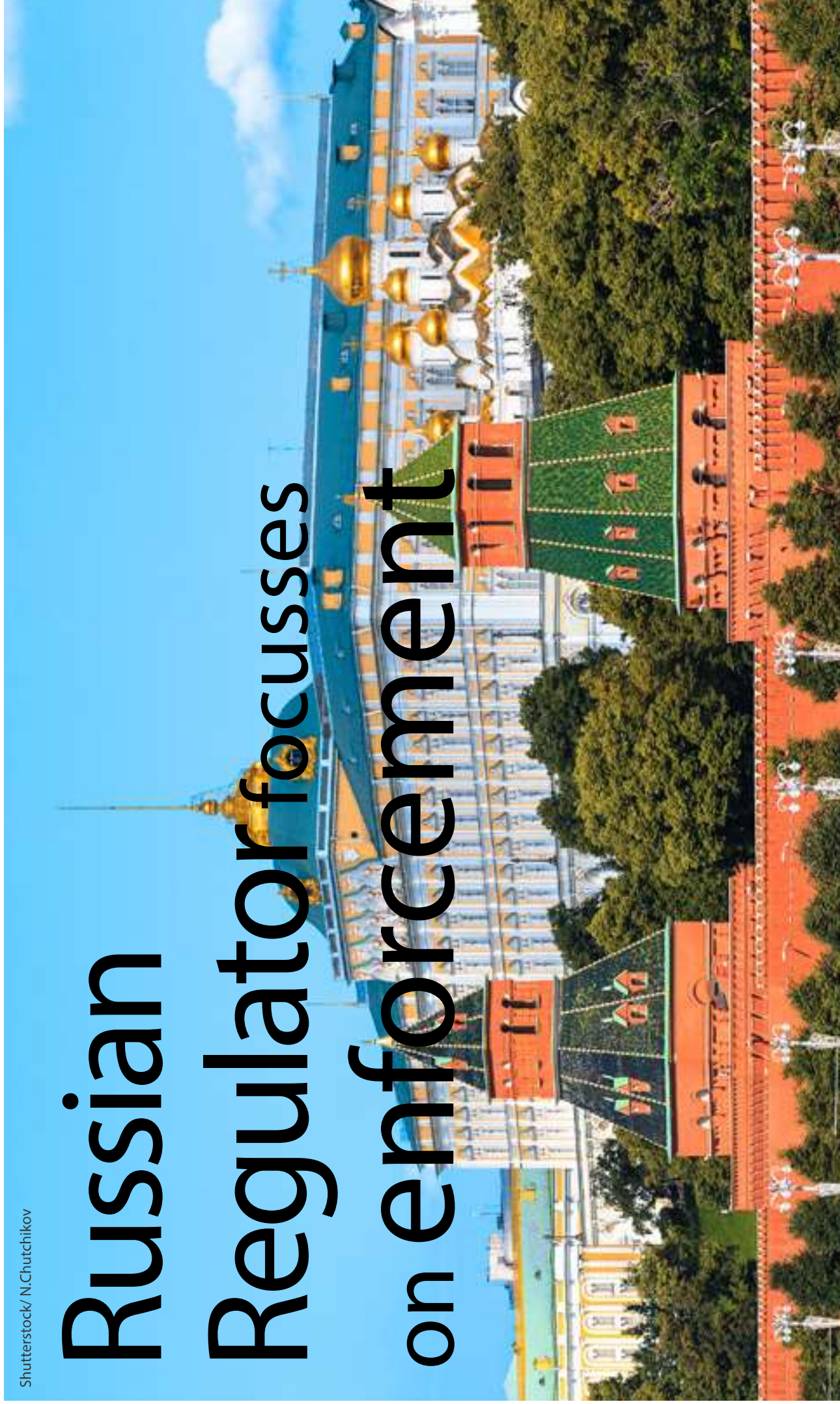
Reforms introduce tax structure to encourage international investment in the film industry

Unlike previous years when the shadow of the crisis loomed over the film industry, these days more and more film makers are being received with open arms. 2.5 million dollars are being invested in the industry.

{ Russia: Personal Data Localisation

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Russian Regulator focusses on enforcement





Featured Firm: Preu Bohlrig & Partner

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Excellent solutions in media and entertainment law

Preu Bohlrig & Partner advises companies and individuals in the media and entertainment business. Our clients are record labels, producers, talents, but also agencies, associations and individual artists. Besides transactional support and deal negotiation we are involved in litigation when it comes to defending our clients' reputation in defamation and libel cases.

The firm gains recognition for its work in reputation management and crisis communication matters. Further, our international professional and legal network allows us to assist clients in cross-

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Russia: Personal D

← users, appear to be less likely to be enforced under the Ministry's clarifications. That said, Russian courts have not yet ruled on the Ministry's clarifications and the final say and while the Ministry's clarifications are determining likely enforcement targets, they do not exempt any organisations from the localisation requirements.

Foreign Database vs. Local Database

The Data Localisation Law does not clarify the term "located within the territory of Russia" and does not cover a "primary" or a "secondary" database should be located in a foreign country.

In Roskomnadzor's view expressed in the meeting with industry groups, the "primary" database where all personal data is processed, including updating, is done, should be located in a Russian territory.

After the "primary" processing of personal data in a foreign country, data may then be transferred abroad under applicable border transfer rules, where it may be further processed in the applicable regulation of the destination country.

The Ministry's clarifications stipulate that it is permitted for a foreign database provided that such foreign database is used for processing of personal data which is the same as the personal data processed with the use of a Russian database.

Therefore, based on the above Roskomnadzor's interpretation, after ensuring the processing and storage of personal data in a database located in Russia, such personal data may be transferred abroad to any other databases. Such transfer must be performed in compliance with applicable cross-border transfer regulations.

Fines vs. Website Blocking

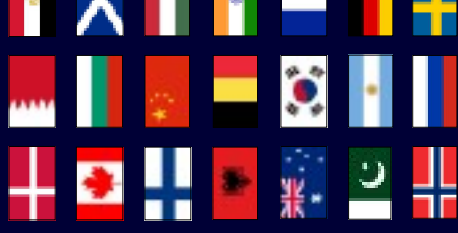
The Data Localisation Law does not provide for fines for breach of its provisions, and general fines for personal data regulations apply. The fines are small and currently exceed equivalent of EUR 150.



Featured Firm: Gugushev & Partners

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