

Subject to subsequent changes

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**Approves the model for the financing of the public service of radio and television broadcasting**

The Assembly of the Republic decrees, under the terms of sub-paragraph c) of Article 161 of the Constitution, that the following is valid as general law of the Republic:

**Article 1  
Financing**

1 - The State ensures the financing of the public service of radio and television broadcasting under the terms established in this law and in the respective concession contracts.

2 - The public radio service is financed by means of a charge corresponding to audiovisual licence fee.

3 - The public television service is financed by means of compensation indemnities and by the revenue from audiovisual licence fee which is not used under the terms of the previous paragraph.

4 - Revenues from advertising obtained by the operator operating the general public service concession is to service the consolidated debt, and subsequently, for new investments, and will not be used to finance current operations.

5 - In compliance with the provisions of paragraph No. 1, the financing of the public television and radio broadcasting service will be established on a multi-annual basis with a four-year duration, with the aim of permitting an efficient and adequate management of resources in accordance with the forecast development of the economic and social environment.

6 - The forecast mentioned in the previous paragraph should identify not only the total costs for the four-year period, but also the annual breakdown of those costs.

**Article 2  
Proportionality and control**

1 - The audiovisual licence fee and compensation indemnities are established with consideration to the global financing requirements of the public radio and television broadcasting service, respecting principles of transparency and proportionality.

2 - Public financing shall be subject to a system of control which ensures fulfilment of public service missions, and transparency and proportionality to the associated financial flows by means of annual external audit to be carried out by an independent body, indicated by the High Authority for the Media.

3 - Companies which operate public service concessions shall not, unless expressly authorised by the shareholder to do so, contract loans that are not destined for short-term financing and these must not exceed 20% of the annual compensation indemnity.

### **Article 3**

#### **Occurrence and frequency of the audiovisual licence fee**

1 - The audiovisual licence fee constitutes the respective funding for the public service of radio and television broadcasting, based on a general principle of equivalence.

2 - The audiovisual licence fee is applied to the supply of electrical energy for domestic use, due monthly from the respective consumers.

### **Article 4**

#### **Amount and exemptions**

1 - The monthly amount of the licence fee is (Euro) 1.60. Consumers whose annual consumption is less than 400 kWh will be exempt.

2 - This amount will be updated in accordance with the annual rate of inflation established in the Law of the State Budget.

### **Article 5**

#### **Payment and encashment**

1 - The licence fee is payable through tax substitution by companies distributing electrical energy and jointly paid with the electrical bill.

2 - The amount corresponding to the licence fee must be separately shown on the respective invoice for the supply of electrical energy.

3 - Companies responsible for distributing electrical energy will be compensated for costs incurred in the collection of the licence fee by the retention of a fixed amount per invoice, to be established in accordance with the principle of cost charging by means of a joint order from the Minister of Finance, the minister responsible for the media and the Minister of the Economy.

4 - The provision of the general law on taxation and the Code of Tax Procedure will also apply to the charging and payment of the licence fee.

### **Article 6**

#### **Consignation**

The proceeds from the licence fee are consigned to Radio and Television of Portugal, SGPS, S. A., constituting its revenue.

### **Article 7**

#### **Revocation**

Decree-Law No. 389/76, of 24th May is revoked.

**Article 8**  
**Entering into effect**

This law enters into effect on 1st September 2003.

Approved	on	15th	July	2003.
The President of the Assembly of the Republic, <i>João Bosco Mota Amaral</i> .				
Promulgated	on	6th	August	2003.
It	is	hereby		published.
The President	of	the	Republic,	JORGE SAMPAIO.
Countersigned	on	8th	August	2003.
The Prime Minister, <i>José Manuel Durão Barroso</i> .				