ASIA VIDEO INDUSTRY ASSOCIATION

2024 AVIA Regulating for Growth – Pay TV Matrix for Pakistan

Questions	Pay TV	Foreshadowed changes?
1. How regulated? *Details of regulator/s*	Pay TV is regulated under the Pakistan Electronic Media Regulatory Authority Ordinance, 2001 (PEMRA Ordinance). There is a single regulator - the Pakistan Electronic Media Regulatory Authority (PEMRA). PEMRA is an independent statutory body which according to observers tends to be influenced by government to a considerable degree. PEMRA must give a reasonable notice to show cause and an opportunity of personal hearing to a licensee before a licence is varied, suspended or revoked, though this requirement may be waived if in the public interest. There have been limited instances where PEMRA has suspended licences without notice or opportunity of hearing in the public interest, such as for airing content that may incite violence. Any person aggrieved by an order or decision issued by PEMRA may appeal the order in one of Pakistan's five High Courts, which are autonomous and independent from PEMRA. Different types of pay TV are regulated differently. For instance, satellite television channels uplinked from outside Pakistan are required to obtain Landing Rights Permission from PEMRA for distribution through licensed distribution service networks. Satellite channels uplinked from within Pakistan are required to obtain a Satellite Television Broadcast Licence from PEMRA prior to distribution through licensed distribution service networks. Licensed distribution services (cable TV and IPTV distribution services) may also seek permission from PEMRA to run in-house distribution channels. Pay TV delivered over the internet is currently unregulated.	There are several separate, overlapping proposals that may potentially regulate Pay TV when delivered over the internet in Pakistan: 1) PEMRA: The existing electronic media regulator Pakistan Electronic Media Regulatory Authority (PEMRA) is working on a draft regulation that would license "Web TV" and "OTT TV". "Web TV" in the draft regulation is defined as broadcast of content either live or recorded made available for viewing of the public through internet either free of cost or on payment of a subscription fee. This would include Pay TV when delivered through the internet. In January 2020, PEMRA issued a Consultation Paper on Regulating Web TV and Over the Top TV Content Services but there have been no further public developments. 2) PTA: PTA has also issued a Consultation Paper on OTT Regulatory Framework to provide a regulatory mechanism for stakeholders to enable the development and facilitation/management of OTT based services in Pakistan. 3) E-Safety Bill In 2023, the Federal Cabinet approved the E-Safety Bill, 2023. The E-Safety Bill if passed by Parliament would establish a new regulatory body to regulate

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	Relevant laws: PEMRA Ordinance PEMRA Rules PEMRA Code of Conduct Landing Rights Permission Regulations Satellite Television Regulations	different online services, including Pay TV when delivered through the internet. The E-Safety Bill 2023 has not been made available to the public. Pakistan is reportedly considering creating a Digital Rights Protection Agency which will reportedly regulate social media. This may potentially also extend to online content, such as the content and advertisements made available by OCC television and Pay Television delivered through the internet. The details of this proposal are not known. **Relevant drafts:** PEMRA Consultation on Regulating the Web TV & Over the Top TV (OTT) Content Services Consultation Paper On Over-The-Top (OTT) Regulatory Framework E-Safety Authority Bill [Copy not publicly available]
2. Copyright protection?	Pakistan is a party to the Berne Convention and offers copyright protections under the Copyright Ordinance, 1962. Content that is aired on pay TV would appear to be protected under Pakistan's copyright laws. There are civil, criminal and administrative enforcement mechanisms available under the law. We are not aware of any action that has been taken by the government specifically to address online piracy. Copyright legislation in Pakistan has not been adequately enforced in Pakistan. DVDs, VCDs and audio CD with pirated content are openly available in dedicated markets. While recent enforcement action has addressed larger centralised distribution centres, smaller distribution centres for pirated content continue to operate throughout the country.	Recently, Pakistan unveiled its first music policy. Pakistan's National Music Policy (referred to as the Policy) outlines various measures for protecting musical works and supporting stakeholders in the music industry. In terms of legal protection, the policy aims to establish and enforce copyright laws, including regulations for music licensing, royalties, and digital distribution. It proposes extending the assignment of copyright to at least 50 years, up from the previous 10 years, implementing anti-piracy measures, providing protection for works using modern AI and technology, and ensuring transparency and accountability within the music industry through regulations for music streaming

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	Licensed distribution services (particularly cable TV distribution services) used to air pirated content on in-house distribution channels, with no apparent enforcement by the regulator or by law enforcement authorities. Due to recent restrictions on airing foreign (especially Indian) content on in-house distribution channels, the airing of pirated content has reduced significantly.	platforms, collection societies, and other intermediaries. The Policy also addresses the protection of "International Music Digital Platforms" such as YouTube and Spotify from arbitrary government bans. Additionally, it envisions negotiations with digital platforms such as Google, Amazon, iTunes, Spotify, YouTube, Instagram, and SoundCloud to improve streaming revenue for Pakistani music. Furthermore, the policy draws inspiration from other countries and seeks to impose stricter penalties for piracy, including imprisonment and fines. Additionally, it envisions the creation of a regulatory body to oversee copyright issues and enforcement in the country. These policy measures have not been implemented yet, and there is no timeline for implementation.
3. Convergence and new technologies	The existing regulatory framework does not enable convergence. Different delivery methods (terrestrial broadcasters, cable broadcasters, satellite broadcasters, mobile TV and IPTV) are licensed separately.	Since 2020 PEMRA has been working on a draft regulation that would license Web TV (which includes pay TV delivered through the internet). Under this regulation, there would be largely equal treatment of different delivery platforms. Direct-to-Home (DTH) delivery is currently prohibited though PEMRA is reportedly working on a licensing framework. In practice, some licensed large cable TV providers are also providing internet services under a separate licence. As there are no net neutrality rules, observers have noted that these operators

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		could affect the provision of online content services in an anticompetitive manner.
4. Licensing of foreign channels *Allowed, prohibited or unregulated?*	Licensing of foreign channels is allowed. Satellite television channels uplinked from outside Pakistan are required to obtain Landing Rights Permission from PEMRA for distribution through licensed distribution service networks. Landing rights may be obtained for channels in the following categories (1) news & current affairs (2) sports (3) education (4) children (5) general entertainment (6) teleshopping & property. The applicant must be incorporated as an entity in Pakistan and must have a distribution agreement with the foreign satellite television channel for downlinking and distribution in Pakistan. The entity must be majority-owned by Pakistani nationals and its management must also vest in Pakistani nationals. The requirements and process for obtaining landing rights permission and a licence to operate a domestic satellite television channel are similar.	Since 2020 PEMRA has been working on a draft regulation that would license Web TV (which includes pay TV delivered through the internet). Under this regulation, the majority shareholding and management and control of the company providing Web TV services would need to vest in Pakistani nationals.
5. Licence fees and taxation	PEMRA has prescribed different licensing fees for different kinds of channels and depending on the distribution medium: Local satellite channels: a) News and Current Affairs i. Upfront licensing fee: PKR 283.5 million (approximately USD 1,020,728) ii. Annual Fee: PKR 1 million (USD 3,600) + 5% of Annual Gross Advertisement Revenue b) Entertainment i. Upfront licensing fee: PKR 50.5 million (approximately USD 181,823)	Since 2020 PEMRA has been working on a draft regulation that would license Web TV. Under this regulation, Pay TV delivered through the internet would be subject to the following fees: i. Upfront licensing fee (for news & current affairs): PKR 10 million (approximately USD 36,000) ii. Upfront licensing fee (for non-news): PKR 5 million (approximately USD 18,000) iii. Annual Fee: 20% of licence fee + 2% of Gross Annual Revenue

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	ii. Annual Fee: PKR 700,000 (USD 2,520) + 7.5% of Annual Gross Advertisement Revenue c) Sports i. Upfront licensing fee: PKR 42.5 million (approximately USD 153,019) ii. Annual Fee: PKR 700,000 (USD 2,520) + 7.5% of Annual Gross Advertisement Revenue d) Regional Language i. Upfront licensing fee: PKR 102 million (approximately USD 367,246) ii. Annual Fee: PKR 300,000 (USD 1,800) + 5% of Annual Gross Advertisement Revenue e) Health i. Upfront licensing fee: PKR 42 million (approximately USD 250,000) ii. Annual Fee: PKR 300,000 (USD 1,080) + 5% of Annual Gross Advertisement Revenue f) Agriculture i. Upfront licensing fee: PKR 52 million (approximately USD 187,224) ii. Annual Fee: PKR 300,000 (USD 1,080) + 5% of Annual Gross Advertisement Revenue g) Education i. Upfront licensing fee: PKR 46 million (approximately USD 165,621) ii. Annual Fee: PKR 300,000 (USD 1,080) + 5% of Annual Gross Advertisement Revenue Foreign channels (landing rights permission) per channel: a) News and Current Affairs	These licensing fees are the same for domestic and international players.

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	i. Upfront Landing Rights Permission Fee: PKR 5 million (approximately USD 18,000) ii. Annual Fee: 40% of Landing Rights Permission Fee + 2% of Gross Annual Advertisement Revenue b) Sports i. Upfront Landing Rights Permission Fee: PKR 3 million (approximately USD 10,801) ii. Annual Fee: 40% of Landing Rights Permission Fee + 5% of Gross Annual Advertisement Revenue c) Education i. Upfront Landing Rights Permission Fee: PKR 1 million (approximately USD 3,600) ii. Annual Fee: 50% of Landing Rights Permission Fee + 2% of Gross Annual Advertisement Revenue d) Children i. Upfront Landing Rights Permission Fee: PKR 0.5 million (approximately USD 1,800) ii. Annual Fee: 40% of Landing Rights Permission Fee + 2% of Gross Annual Advertisement Revenue e) General Entertainment i. Upfront Landing Rights Permission Fee: PKR 2.6 million (approximately USD 9,361) ii. Annual Fee: 40% of Landing Rights Permission Fee + 2% of Gross Annual Advertisement Revenue f) Teleshopping & Property i. Upfront Landing Rights Permission Fee: PKR 2 million (approximately USD 7,201) ii. Annual Fee: 40% of Landing Rights Permission Fee + 2% of Gross Annual Advertisement Revenue	

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6. Rate regulation *Including wholesale and retail rate regulation and whether there are any price controls on eg. basic tier*	PEMRA regulates subscription fees for end-users. PEMRA has notified a capped subscription fee for cable TV subscribers [Installation charges PKR 1,000 (approximately USD 3.6), monthly subscription for digital TV PKR 550 (approximately USD 1.98), monthly subscription for analogue TV PKR 400 (approximately USD 1.44). Cable distributors are required to provide prior notice of 30 days to subscribers in case there are any changes to the tariff. There is no government regulation of wholesale rates.	Since 2020 PEMRA has been working on a draft regulation that would license Web TV. Under this regulation, providers of pay TV delivered through the internet will be required to provide prior notice of at least one month in case there are any changes to the tariff.
7. Programme packaging *Including tiering, bundling, any mandatory a la carte*	There are no specific restrictions for programme packaging for pay TV.	We are not aware of any foreshadowed changes.
8. Restrictions on advertising *Including localisation rules, revenue and minutage restrictions*	Advertisements are permitted but limited to a maximum 3-minute continuous advertisements during each 15 minutes of regular programming. There is no difference in the treatment of local and foreign ads, though ads featuring Indian actors may be prohibited.	Since 2020 PEMRA has been working on a draft regulation that would license Web TV. Under this regulation, the same restrictions would be extended to pay TV delivered through the internet.
9. (a) Content regulation *Including local content quotas, content control and insertion of classification and other content labels into international feeds*	PEMRA has notified extensive content regulations through the Electronic Media (Programmes and Advertisements) Code of Conduct. These include content-related restrictions, including content which is obscene, indecent or contains aspersions against the judiciary or armed forces of Pakistan. There has been an increase in enforcement of these restrictions. Only 10% foreign content is permitted on local pay TV channels, while foreign channels with landing rights permission may not air local content. PEMRA has established complaint mechanisms for any person to file a complaint against any content aired by a licensee. Complaints are	Since 2020 PEMRA has been working on a draft regulation that would license Web TV. Under this regulation, the same restrictions would be extended to pay TV delivered through the internet. The draft e-Safety Bill, 2023, also extends the same restrictions to cloud-based content distribution services such as Over the Top (OTT) platforms, Web TV channels (YouTube channels, Vlogs, Netflix, Amazon Prime etc.), and any other similar platform.

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	made available publicly on the PEMRA website and are reviewed through the Council of Complaints which operates under PEMRA. PEMRA can also prohibit, through a written order, the broadcast of any programme or advertisement which it finds to be against the ideology of Pakistan, likely to create hatred among people, endangering national security, deemed obscene, or considered damaging to the legitimate interests of another licensee or causing harm to another person. Separately, Pakistan has issued the [Removal and Blocking of Unlawful Online Content Rules, 2021], which empowers the Pakistan Telecommunication Authority (PTA) to order any service provider (which may include a provider offering Pay TV through the internet) to remove any online content if it considers necessary in the interest of glory of Islam, security of Pakistan, public order, decency and morality or integrity or defence of Pakistan.	
9. (b) Content regulation *Including languages, dubbing/subtitling and captioning*	There are existing requirements applicable to all foreign TV channels available through landing rights permission in Pakistan in relation to dubbing where only up to 50% of general entertainment content may be dubbed in Pakistani languages. There is no general restriction on subtitling, though advertisements in the form of subtitles should not exceed more than one tenth of the screen.	Since 2020, PEMRA has been working on a draft regulation that would license Web TV. Under this regulation, the same restrictions would be extended to pay TV delivered through the internet.
10. Programme supply restrictions *Including must provide rules and other restrictions on exclusivity and anti-siphoning rules*	To ensure fair competition, the maximum number of licences that may be issued to a company may not exceed a total of four satellite TV licences, four FM radio licences, and two landing rights permissions. Moreover, a licensee who owns or controls any other distribution services shall not be granted a landing rights permission or broadcast media licence. Conversely, a licensee who owns or controls a broadcast media licence or landing rights permission shall not be granted a distribution service licence.	Since 2020, PEMRA has been working on a draft regulation that would license Web TV. Under this regulation it will be the responsibility of PEMRA to provide a level playing field to all.

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11. Restrictions on FDI *Including platforms and wholesale supply of programming and cross-media ownership restrictions*	Only 49% foreign ownership allowed. The PEMRA Ordinance, which is applicable to both satellite television channels and foreign channels having landing rights permission, requires that Pakistani nationals must own, control and manage the entity holding the licence or landing rights permission. Licences cannot be granted to foreign citizens, foreign companies or local companies the majority of whose shares are owned or controlled by foreign nationals or foreign companies, or local companies whose control is vested in foreign nationals or foreign companies. There may be certain cross-media ownership restrictions which vary depending on the mode of delivery for pay TV. Generally though, pay TV (linear channels) cannot hold a distribution service licence.	The proposed PEMRA framework prohibits cross-media ownership where it restricts entities holding a Web TV (linear channels) licence from holding an OTT service licence (non-linear/video on demand delivered through the internet) or another WebTV licence.
12. Retransmission arrangements *Including must carry and remuneration*	Generally, there are no requirements regarding retransmission arrangements specific to pay TV. However, a licensee engaging in media broadcasting operations shall not broadcast, transmit, **retransmit** or relay the pornographic or obscene contents of any type.	We are not aware of any foreshadowed changes.
13. Consumer protection *Including cooling-off period, termination rights and payment mechanism*	There are no consumer protection regulations specific to pay TV, other than the requirement to be notified of a change in the subscription fee within thirty days.	We are not aware of any foreshadowed changes.
14. Entering a new market: FAST TV	Currently unregulated if provided through the internet	FAST TV provided through the internet will be considered "Web TV" under PEMRA's proposed regulatory framework and will be subject to the same conditions as Pay TV listed in this column.
15. Data handling	Currently unregulated	Pakistan is currently considering a general personal data protection legislation that would impose

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		various restrictions on the cross-border transfer of personal data. Latest public draft is available here.
Other country-specific information not already covered		