

## COMPETITION & EU MEDIA & ENTERTAINMENT

NEW REGIME OF CENTRALIZED SALE OF TELEVISION BROADCASTING RIGHTS REGARDING THE PORTUGUESE PROFESSIONAL FOOTBALL LEAGUES (I AND II LEAGUES)





## Ownership and marketing of broadcasting rights for the Portuguese professional football leagues (I and II Leagues)

On 23 March 2021, the new legal regime regarding the ownership of broadcasting rights of the 1st and 2nd football leagues came into force (Decree-Law no. 22-B/2021, of 22 March).

This new model follows a Recommendation by the Portuguese Competition Authority (**PCA**) and a joint reflection by a working group which, among others, included the Portuguese Football Federation (the **Federation**) and the Portuguese Professional Football League (the **League**). It should be recalled that in Portugal the model of individualized negotiation of television broadcasting rights is currently in force, in clear contrast with the current European reality (Premier League, La Liga, Bundesliga, Serie A, Ligue 1, among other leagues).

Sport Clubs or companies participating in the I and II Leagues are designated as rights holders and will be able to freely negotiate their rights until the 2026-2027 sports season.

However, they shall be under the obligation to inform the organizer of the competition in question (the Federation or the League, as the case may be) of any contract executed regarding their broadcasting rights within 10 days.

Additionally, and in order to safeguard existing agreements, it is established that the contracts entered into by sport clubs or companies regarding broadcasting rights will not be effective beyond the 2027-2028 football season, with any clauses providing otherwise deemed unwritten. On the scope of the **broadcasting rights**, the Decree-Law establishes that:

- *Sporting events* are covered from the minute before their start until the minute after its conclusion;
- Both live and deferred broadcasting rights are included;
- Both full and partial broadcast are covered;
- Exploitation in national and international markets is considered.

Radio broadcasting rights are excluded from the scope of the Decree-Law.

The **centralized sale model** will be implemented by a joint proposal from the Federation and the League, approved by the PCA, until the end of the 2025-2026 football season. In 2019, the PCA suggested implementing tri-annual auctions, managed by the League or another organization representing professional football clubs, which guarantees, among other conditions, the existence of at least two buyers.

Despite the defined schedule, the Decree-Law allows for the possibility of **early implementation** of the centralized sale model, if there is an agreement to that effect between the organizers of the competitions, the participating sport clubs or companies and the acquiring entities. Such agreement must be approved by the PCA.

Alternatively, if the aforementioned joint proposal by the Federation and the League is not presented, or if it is not approved by the PCA, or even if the relevant agents do not reach the necessary agreement for the early implementation thereof, the Government may determine, by decree-law, the terms of the centralized sale, after consulting the PCA.

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