

EMERGENCY SUPPORT FOR THE PRO-MOTION OF JOURNALISM 2020 – AP-PLICATION INSTRUCTIONS

When to apply?

The application period for emergency support for the promotion of journalism is 20 October–17 November 2020.

How to apply?

The application is provided as a Word form on <u>the Finnish</u> Transport and Communications Agency website.

Send the application and any attachments to the Finnish Transport and Communications Agency with the subject line 'Journalismin koronatukihakemus 2020'

1. by e-mail to kirjaamo@traficom.fi

2. by post to:

Finnish Transport and Communications Agency Registry PO Box 320 00059 TRAFICOM

NOTE! Remember to sign the application by hand. The signatory must be authorised to sign for the organisation submitting the application or hold a power of attorney authorising them to sign for the applicant. Signed applications may be posted or scanned and sent by e-mail. Applications may also be submitted by e-mail without a handwritten signature. In this event, however, the application must be sent from the official e-mail address of the organisation and from the account of a person authorised to sign for the organisation.



APPLICATION INSTRUCTIONS FOR EMERGENCY SUP-PORT FOR THE PROMOTION OF JOURNALISM

These application instructions are intended as a practical guide for the application process concerning the emergency support for the promotion of journalism in 2020 specified in the Government decree on emergency support for the promotion of journalism (679/2020). The instructions contain a general description of the application process, the emergency support and requirements pertaining to the applicant. The instructions also contain a detailed description of the application form and content.

GENERAL INFORMATION ON GRANTING THE EMERGENCY SUPPORT

The purpose of the aid is to support media outlets producing journalistic content after suffering from the COVID-19 pandemic. The aim of the aid is to increase diverse journalistic content and its availability as well as develop journalism on a local, regional and national level.

As a rule, government aid is governed by the Act on Discretionary Government Transfers (688/2001). The Act on Discretionary Government Transfers specifies the grounds and general requirements for allocating the aid as well as the forms, procedures, use, monitoring and inspections concerning the allocation and payment. The Act specifies the grounds for aid applicant and recipient rights and duties. The Act also specifies the authorities' right of access to information. According to section 10 of the Act, in conjunction with an application, applicants for discretionary Government transfers must provide the State aid authority with correct and sufficient information on how they intend to use the transfer and any other information the authority needs in order to resolve the application.

The aid may be granted to cover the costs of journalistic work to media outlets that meet the requirements for eligibility for aid specified in section 5. The aid is granted to all applicants meeting the requirements. In practice, the amount of the aid per one journalist is calculated by dividing the sum of the allocated Government aid by the total number of journalists that have submitted eligible applications. The sum allocated to a media outlet depends on the total number of employees performing journalistic work.

The aid must be granted by 31 December 2020. The aid may, however, be paid later than this.

APPLICATION TRANSPARENCY

According to the Act on the Openness of Government Activities, as a rule, all documents submitted to the authorities become public when the authority has received them – this also pertains to Government transfer applications. This means that anyone may request and receive information on the applications. However, in addition to public sections, applications for support for journalism may contain confidential information that will not be shared by the agency. Any submitted information considered confidential (according to paragraph 20 of subsection 1 of section 24 of the Act on the Openness of Government Activities) by the applicant should be <u>marked clearly on the application</u>. This way, the authorities will know which matters the applicant considers protected by professional



<u>confidentiality.</u> According to law, however, the final authority on which sections of the document are confidential lies with the Finnish Transport and Communications Agency.

APPLICATION PERIOD

The application period for the emergency support for the promotion of journalism is 20.10.—17.11.2020. Applications must arrive at the Finnish Transport and Communications Agency on the last day of the application period at 11.59 pm, at the latest.

Late applications will not be processed. It is the responsibility of the applicant to ensure that the application has arrived at the Finnish Transport and Communications Agency in time. The official service e-mail of the Finnish Transport and Communications Agency (kirjaamo@traficom.fi) will always send a confirmation of receipt. If no receipt is received, you should verify the recipient's address.

SENDING THE APPLICATION

Primarily, applications for emergency support for the promotion of journalism are requested on the Word form template.

Alternatively, the basic application information may also be sent on a free-form document. Free-form applications must contain information corresponding to the form and its appendices.

- By e-mail: kirjaamo@traficom.fi. The requested appendices may be sent as separate e-mail attachments.
- By post: Finnish Transport and Communications Agency registry / Emergency support for the promotion of journalism 2020

PO Box 320 00059 TRAFICOM

NOTE! You must write the following text in the subject field of the e-mail or on the envelope: "Journalismin koronatukihakemus 2020".



INFORMATION REQUESTED ON THE APPLICATION FORM

1. APPLICANT

You must enter the following basic information on the applicant on the form:

- Company name as it is entered in the Trade Register
- Valid business ID
- Address as it is entered in the Trade Register
- Domicile as it is entered in the Trade Register
- Name of contact person name of the person in charge of the matter in the company
- E-mail address (monitored actively) e-mail address of the contact person
- Telephone number telephone number of the contact person

2. PAYMENT INFORMATION

The applicant must provide information on their bank and account number for any aid payments.

3. COMPANY INFORMATION

Government transfers for journalism may be allocated to companies operating in Finland or the Åland Islands. You must specify whether the company is part of a group. This information is requested to monitor the accumulation of the aid and its maximum amount. The maximum aid sum is 800,000 euros per company, and this limit applies to the entire group, not an individual company.

The COVID-19 pandemic must have decreased the company's media sales by at least 30 per cent and revenue by at least 10 per cent between 1 April and 31 May 2020 compared to the same time period the previous year. The aid is multiplied by 1.3 for applicants whose company-specific media sales decreased by more than 50% in April and May 2020 compared to the same period the previous year. This information is requested in euros on the form.

However, if the company has started its operation after May 2019, the comparison is made with the average media sales and revenue in January and February 2020. You must specify which situation applies to you on the form.

The Finnish Transport and Communications Agency may deviate from the requirements concerning media sales and revenue, if the operation and scope of operation of the applicant have changed significantly during the calendar year due to corporate transactions. In practice, this applies to situations where the media sales and revenue figures cannot be compared due to corporate transactions. You must provide an account of situations like this on the application.

4. AID ALLOCATION TO MEDIA OUTLETS

The prerequisite for receiving aid is that the company allocates the aid to a media outlet, i.e. a newspaper, television channel, radio channel or website, operating in Finland or on the Åland Islands. The applicant must specify the media outlet they are applying the aid for on the application. The company may also allocate the aid to several media outlets. In this event, the table concerning media outlets in the application must be completed separately for each outlet. Copy the empty 'Aid allocation to media outlets' table for each media outlet and complete a table for each outlet.



The name, type and responsible editor of each outlet is requested on the application form. In addition to this, you must specify the publishing schedule of the media outlet. The range of programmes must be daily or content must be published at least four times a year or updated online regularly. This means that the media outlet must have an established schedule. The requirement for online publications is that they be updated regularly. The Finnish Transport and Communications Agency will assess the regularity of the publication activities based on the information provided on the application form.

The aid may only be granted to media outlets whose media sales have decreased by at least 30 per cent in April and May 2020 compared to the same period the previous year. Please note that eligibility for aid in terms of the decrease of media sales is considered on both the company level and media outlet specifically, which is why this information is requested in two sections. Aid may only be applied for and allocated to media outlets that meet the criteria.

The media outlet must have a responsible editor and it must apply the Act on the Exercise of Freedom of Expression in Mass Media (460/2003). In practice, media outlets eligible for the aid must have a responsible editor in accordance with section 4 of the aforementioned act and they must provide information on the identity of the publisher in accordance with section 5 of the same act. The responsible editor must work for the company publishing the media outlet full time. The media outlet must also have at least one full-time employee performing journalistic work or it must commission corresponding work from freelancers. The purpose of these criteria is to allocate the aid to continual, professional activities which generate actual costs. The applicant is asked to confirm that they meet the requirements by ticking the boxes on the form.

In addition, the media outlet must serve diverse audiences, not only a specific political group, group of entrepreneurs, trade union or similar predetermined group of people. This means that aid may be granted to newspapers and magazines, online publications and radio and TV channels providing content to national, regional or local audiences, for example. Trade publications and bulletins published by professional organisations, media published by parties already receiving party subsidies, media focused on a specific sport or hobby by way of a sport association and other similar publications do not meet the criteria for receiving aid. The aim is to allocate aid to general news media important in terms of local, regional and national democracy.

Media outlets, at least 50 per cent of whose journalistic content was produced in-house in April and May 2020, are eligible for the aid. This aims to ensure that the media outlet receiving the aid is engaged in independent journalistic work, and that most of their publications do not consist of advertising and commercial cooperation content. This requirement allocates aid to media containing news. Independently produced content also refers to content acquired through article sharing and material produced by joint editorial staff. The applicant is asked to provide a reliable account of the total amount of journalistic content and the share of independently produced journalistic content in April and May 2020. The account is free form and it should at least contain general information on the publication and operation of the media outlet. The amount and proportion of independent journalistic content is not assessed by measuring e.g. the number of column millimetres of articles or programme minutes. The Finnish Transport and Communications Agency shall assess the proportion of content in more detail if there are grounds to suspect that the criteria are not met.



Please note that the requirement of the 50 per cent share of independently produced journalistic content is not applied to television and radio operators. They only need to show that they produce some independent journalistic content. A radio channel, for example, may produce pertinent journalistic content referred to in the decree even if the bulk of its programmes is focused on music or other themes.

Information on the number of employees performing journalistic work for the channel is pertinent information in terms of allocating aid. Applicants must specify the number of employees performing journalistic work in person-years in the 2019 financial statement for the media outlet for which they are applying aid. The number of people performing journalistic work taken into account in allocating the aid includes salaried employees and freelance fees converted into person-years. Freelance fees are converted into person-years by dividing the freelance fees by the average of the salaries of the employees performing journalistic work for the media outlet in question. This is why this information is also requested on the application form.

The definition of people performing journalistic work is not straightforward and there may be borderline cases. People who are directly involved in creating content, such as reporters, perform journalistic work.

Statistics Finland defines journalists as follows in their Classification of Occupations: "[Journalists] convey news and research and report on events in society in newspapers, on television, on radio and in other media." Tasks mentioned include collecting, analysing and verifying news and current affairs as well as reporting and commenting on them in the media; interviewing politicians and other public figures during press conferences and other events; visiting public events, cinema and theatre performances; reviewing literary works; providing background information for and reporting on developments in special fields, such as medicine, science and technology; writing editorials and commentaries on current affairs; writing book, music and art reviews; selecting material for publication; checking the style, grammar, authenticity and legality of content; agreeing on any changes and checking proofs before printing.

Example professions include reporter, copy editors, newscasters, editors-in-chief and heads of programmes. Please note, however, that in addition to the tasks mentioned above, other tasks may also be considered journalistic work. On the other hand, a media salesperson would perform tasks that cannot be considered journalistic work.

Freelancers are people who work for several employers or clients, even at the same time, during the course of a year. Reporters, photographers, musicians, translators and theatre employees are examples of freelancers. Typically, freelance work consists of numerous temporary jobs.

5. OTHER PUBLIC AID OR ASSISTANCE

The applicant must provide an account of any other public aid and assistance they may have received, such as support for business costs granted by the State Treasury. This information must also be given for groups, if the company is part of a group. When the maximum amount of aid is calculated, Traficom takes into account all the aid granted to the company in question based on Finland's state aid scheme. According to the Commission decision, up to 800,000 euros of aid may be granted



to one company. The definition of a company specified in the Commission Notice on the notion of State aid (2016/C 262/01) is also applied when interpreting the state aid scheme. This means that the maximum aid amount is examined on the group level (section 11 of the Commission Notice on the notion of State aid). This means that in practice, the company-specific maximum aid amount of 800,000 euros pertains to the entire group instead of an individual company.

Aid intended to help companies cope with difficulties caused by the COVID-19 pandemic cannot be granted for the same purpose twice. This is why it is important to determine during the granting process of emergency support for the promotion of journalism that several aid instruments are not applied to the payroll of the same people. When considering funding for business development granted by Business Finland, for example, Traficom would take into account any section of the funding that was allocated towards the same wages as emergency support for the promotion of journalism. Please indicate on the application form whether any other public aid has been used to cover payroll for the same people.

6. IMPEDIMENTS TO GRANTING AID

The emergency support is not intended for companies that have had financial difficulty on 31 December 2019 or neglected their duties in terms of taxation, for example. On the application form, the applicant is asked to confirm that they do not meet the requirements for rejecting emergency support and to supply any necessary reports as attachments to the application.

The emergency support will not be granted if the company is not entered in the prepayment register referred to in section 25 of the act on tax prepayment (ennakkoperintälaki 1118/1996).

The emergency support will also be denied if the company has neglected their obligation to notify concerning taxes. Failure to e.g. submit a tax return or other notification referred to in Chapter 2 of the act on the taxation procedure (Laki verotusmenettelystä (1558/1995)) or Chapter 4 of the act on the taxation procedure concerning self-assessed taxes (Laki oma-aloitteisten verojen verotusmenettelystä (768/2016)) constitutes such neglect. Support will also not be granted if the company has not submitted a notification of wages paid referred to in section 6 of the act on the incomes register (Laki tulotietojärjestelmästä (53/2018)) to the Incomes Register. Companies may correct their failures by submitting the missing notifications to the Tax Administration or the Incomes Register.

Support will not be granted if the company has tax debt entered into the tax debt register referred to in Chapter 3 a of the Act on the public disclosure and confidentiality of tax information (1346/1999).

Support cannot be granted if the company has unpaid taxes in enforcement procedures.

Granting the support also requires that the company was not an undertaking in difficulty referred to in the General Block Exemption Regulation (EU) No 651/2014 on 31 December 2019. Undertakings in difficulty are specified in Section 18 of Article 2 of the EU General Block Exemption Regulation. According to the definition, an undertaking is deemed to be in difficulty if a) more than half of its subscribed share capital has disappeared (limited liability companies), b) more than half of its capital as shown in the company accounts has disappeared as a result of accumulated losses (companies



where at least some members have unlimited liability for the debt of the company), c) the undertaking is subject to collective insolvency proceedings, d) the undertaking has received rescue aid and has not yet reimbursed the loan or terminated the guarantee, or has received restructuring aid and is still subject to a restructuring plan, e) in the case of an undertaking that is not an SME, for the past two years the undertaking's book debt to equity ratio has been greater than 7.5 and the undertaking's EBITDA interest coverage ratio has been below 1.0. Only section c) is applied to SMEs that are less than three years old. Companies must provide information on their financial standing to assess whether the company is an undertaking in difficulty specified above.

With regard to this condition, the Commission has stated that if a company has been an undertaking in difficulty on 31 December 2019 but has not continued to do so until the COVID-19 pandemic (i.e. has "got back on its feet" in early 2020 but is in difficulty again due to the COVID-19 pandemic), it is possible to grant support under the framework program. However, in principle, the aid may be granted only to companies, which are not in difficulty, and to companies, which are in difficulty on or after 1 January 2020. If the company has been in difficulty on 31 December 2019, it must provide information on its financial situation in order to assess that the company has "got on its feet" in early 2020.

Applicants must attach the following to their application

- certificate of being entered in the prepayment register
- certificate of tax debt information and neglect of obligation to declare issued by the tax debt register
- certificate issued by the enforcement register
- copy of the most recently adopted financial statement and balance sheet with appendices.

These certificates may be no older than three (3) months on the last day of the application period.

7. ELECTRONIC PROCESSING

The applicant is requested to consent to electronic processing concerning their application for emergency support for the promotion of journalism, including notification of the decision by e-mail. Agreeing to electronic processing and notification means that any questions and completion requests pertaining to the matter may be submitted electronically. Electronic processing requires that the applicant provides an up-to-date e-mail address and monitors it actively.

8. SIGNATURE

The signatory must be authorised to sign for the organisation submitting the application or hold a power of attorney authorising them to sign for the applicant. Signed applications may be posted or scanned and sent by e-mail. Applications may also be submitted by e-mail without a handwritten signature. In this event, however, the application must be sent from the official e-mail address of the organisation and from the account of a person authorised to sign for the organisation.