10 February 2020

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Subject: Consultation on Regulating the Web TV & Over the Top TV (OTT) Content Services

On behalf of the Asia Internet Coalition (AIC) and its members, I am writing to express our sincere gratitude to the **Pakistan Electronic Media Regulatory Authority (PEMRA)** for allowing the AIC to submit comments on the **Consultation on Regulating the Web TV & Over the Top TV (OTT) Content Services**. As an introduction, AIC is an industry association comprised of leading Internet and technology companies in the Asia Pacific region with an objective to promote the understanding and resolution of Internet and Information and communications technology (ICT) policy issues. Our current members are Airbnb, Amazon, Apple, Booking.com, Expedia Group, Facebook, Google, Grab, LinkedIn, LINE, Rakuten, Twitter and Yahoo (Verizon Media).

This public consultation is critical, particularly at a time when countries around the world are grappling in their attempts to strike a balance between regulation and innovation. As responsible stakeholders in the policy development process, we appreciate the ability to participate in this discussion. As such, please find appended to this letter detailed comments and recommendations, which we would like to respectfully request PEMRA to consider.

Should you have any questions or need clarification on any of the recommendations, please do not hesitate to contact our Secretariat Mr. Sarthak Luthra at Secretariat@aicasia.org or at +65 8739 1490. Importantly, we would also be happy to offer our inputs and insights on industry best practices directly through meetings and discussions to help shape the dialogue for online video services in Pakistan.

Thank you.

Sincerely,

Jeff Paine
Managing Director
Asia Internet Coalition (AIC)

DETAILED COMMENTS AND RECOMMENDATIONS

A. GENERAL COMMENTS

In both business and economic terms, the content and media industry is well poised to contribute to Pakistan's overall economic growth and prosperity in the near term. The global Video-on-Demand (VOD) market is forecast to grow on average 5.6 percent annually between 2017 and 2024, and an estimated 1.3 billion people will be using video streaming services by 2024.[1]

Online video services provide enormous consumer value by enabling users to access a world of content and consume what they want anytime, anywhere. However, we firmly believe that success at this critical stage will depend on the extent to which regulation does not impede these goals.

The example of Pakistan's national broadband policy illustrates the potential of such an approach. In 2004, the Pakistan Telecommunication Authority (PTA) articulated high-level goals underpinning its national broadband policy, including 1) to encourage the entry and growth of new service providers while stimulating the growth of the existing ones, and 2) to encourage private sector investment in local content generation and broadband service provision. Within 10 years, Pakistan's broadband penetration began increasing at a rapid rate, with annual broadband penetration more than tripling by 2018.

Extending traditional broadcast regulation to online video services could significantly undermine the success of Pakistan's national broadband plan and stifle the economic potential stemming from online video services.

Best practice regimes for online video services recognize that they are fundamentally different from traditional licensed services, and therefore tailor their approach accordingly. For example, on an online video service, the customer has greater choice and control over the content they choose to watch. Further, many online video services offer tools to parents (parental controls) that parents can use to set age ratings to protect their children from watching inappropriate content. In such an environment, where there is no linear feed of content which could surprise a viewer, there is less need and expectation by consumers of advanced protections, and thus less need for regulation.

[1] https://www.statista.com/outlook/201/100/video-on-demand/worldwide

Question 1: Whether or not Web TV & OTT Content Services should be regulated by PEMRA? Give reasons & support your answers in either case.

Comments: As stated in the Consultation Paper, the aim of PEMRA's regulation is to attempt to level the playing field between traditional broadcasters and online video services. However, there are many innate differences between these types of services, which means they need to be regulated differently. In most countries, these differences mean that online video services are subject to a lighter-touch regulation than broadcast services, if any at all.

The continued growth of online video services depends on a flexible regulatory environment that allows for innovation and experimentation. PEMRA should not view these online video services as extensions of traditional linear broadcast services, but rather as fundamentally different offerings that are outside of PEMRA's jurisdiction.

1.1. Traditional services and online services are not the same

Legacy broadcasting and cable regulations should not be automatically extended to online applications because online applications are fundamentally different from traditional services, and feature a vast variety of business models.

- **Broadcasting regulations** were designed for traditional, linear services on which consumer choice in content is limited. For online video services, particularly video on demand, users are in control and can consume the content they want anytime, anywhere. The ensuing consumer expectations and protections are thus vastly different compared to traditional broadcasting.
- **Cable service providers** own and control the underlying network infrastructure and connection to the customer's premises, and consumers may have limited choices in their cable provider and may have costs associated with switching. Cable regulations have been structured with those considerations in mind. By contrast, online apps do not control the access infrastructure, and operate in a highly competitive market in which it is easy and often cost-free for consumers to switch between competing apps. Thus, the rationale underpinning legacy cable regulations does not apply to online apps.
- **Licensing** is typically used to provide and regulate access to a scarce resource such as spectrum (which is used by broadcasting services). Licensing is unnecessary for online video service providers, though, because the global nature of the Internet means that a virtually unlimited number of competing providers can deliver digital content and applications to consumers.
- **Quality of service:** Online video service providers cannot provide any guarantees about the quality of service or remedy any network issues that might impact quality of service because they do not control the networks over which their services are transmitted and which network is chosen by the consumer.
- **Online video services are inherently global in nature**, compared to traditional telecommunications services that are offered on a country-by-country basis. As currently written, the draft licensing requirements would apply to online video news

portals operated by non-Pakistani outlets such as the BBC, New York Times, CNN, etc. To avoid the impractical outcome of forcing such services to obtain a license, PEMRA should narrow the scope of its draft regulations to traditional broadcast services.

- **Online video services are also increasingly symbiotic** with traditional telecommunications providers as new online video services grow consumer and business demand for data communications, and as telecommunications providers invest in online video services themselves to bring innovation and further develop the Internet ecosystem.
- **Editorial control:** The linear nature of traditional broadcast services allows broadcast providers to exercise significant editorial control over their content with little or no choice on the part of users. In contrast, there is less need for editorial input in an online environment that is not limited by programming time constraints. Whilst some editorial control is generally used to feature and promote content that is appropriate to customers in each market, and remove inappropriate or unlawful content, there is no need to restrict a customer's choice.
- **User Generated Content:** In addition to the many differences outlined between traditional broadcast services and online services, user-generated content presents additional challenges. Platforms for user generated content typically do not exercise the degree of editorial control asserted by traditional broadcast and cable providers. These services and platforms give users significantly more choice regarding the type of content they consume, as well as how and when they consume that content. [At a minimum, PEMRA should clarify that platforms for user-generated video content are out of scope and not required to obtain a license.] Further, such services are typically offered free of charge, which would make a tariff harder to justify. Platforms for user-generated content also empower users themselves to play a more central role in the production and publication of video content. The simplicity with which users can produce and publish their own content creates new opportunities to reach expanded audiences more easily and at lower costs, thereby giving rise to more diverse, local and niche content offerings.
- **Tariff:** A requirement to file a tariff with PEMRA would not make sense for online video services that are provided free of charge.

What's more, extending regulation designed for traditional broadcast providers to platforms for user-generated content is a fundamental mismatch that could have numerous and serious unintended consequences. For example, it could:

- Create a high barrier to entry in the Pakistani marketplace that will be insurmountable for many, if not most, providers, especially Pakistani small business and start-ups. This would have the effect of denying Pakistani consumers access to new and innovative services and would harm Pakistan's creative industry, as well as the economy as a whole.
- Fundamentally alter the openness of services that host user-generated content and their incentive to serve the Pakistani market. This would deprive Pakistani users of a positive source of creativity, learning, and access to information, and make it more

difficult for Pakistani content creators of all types — amateur and professional, new and established — to find their audiences.

- Put at risk the enormous economic benefits that user-generated content services bring to Pakistan. Pakistani content creators are using online video services to export their content to the world. For example, 55% of watchtime on content produced by Pakistan's YouTube creators comes from outside of the country. Imposing legacy regulation on this burgeoning new industry would impact national remittances, economic growth, and jobs – especially for the youth.
- Existing providers may even have to cease doing business in Pakistan as they evaluate whether compliance with new regulatory requirements relating to licensing, local ownership, etc., is feasible. In the worst case, some providers may be left with no choice but to pull out of the market indefinitely.

1.2. Align with global industry views and best practices

Proceeding with these onerous regulatory proposals would make Pakistan a global outlier with regard to regulation of online video services. Indeed, as PEMRA found, "the study of international practices suggest that the web TV and OTT services are not regulated the same way as traditional TV and broadcast services are regulated" (p. 8). Here are a few international examples:

- **Hong Kong:** The Commerce and Economic Development Bureau (CEDB) has initiated a review of its broadcasting regulatory framework "with the aim of relaxing obsolete statutory requirements."[2] The CEDB did not propose to extend existing obligations for traditional audiovisual services to online apps in part because "[t]hough OTT and other Internet TV and radio programme services are gaining their prominence, traditional media … are still highly pervasive and accessible to all in the family, young and old."[3]
- **Singapore:** Singapore's IMDA uses a "class license" scheme. Under the scheme, VOD services automatically receive permission to provide their services, contingent upon their continued compliance with the "Code of Conduct for Over-the-Top, Video-on-Demand and Niche Services."
- **Malaysia:** Although the Malaysian Communications and Multimedia Commission (MCMC) regulates online video services, they remain exempt from the licensing regime, rate regulation, local content quota and "made in Malaysia" requirements.

We would encourage PEMRA to follow the best practices adopted by these countries, and to consider opportunities for eliminating outmoded regulations for traditional services.

2 Hong Kong Commerce and Economic Development Bureau, Review of Television and Sound Broadcasting Regulatory Regimes, Consultation Paper, at 15 (Feb. 2018)
3 Id. at 46.

1.3. PEMRA should adhere to its jurisdictional scope

We recommend that PEMRA should adhere to the scope set out under the Pakistan Electronic Media Regulatory Authority Ordinance. This Ordinance states that PEMRA is responsible for "regulating the establishment and operation of all broadcast media and distribution services in Pakistan established for the purpose of international, national, provincial, district, local or special target audience." Other agencies, such as the Pakistan Telecommunications Authority (PTA), are already looking at this space with greater scope and mandate under their statutory authority. PEMRA itself has recognized in a court filing that it "has no role whatsoever in the framing of policies or laws regarding social media … Exclusive power over such matter vests with PTA."[4]

Question 2: Do you agree with the eligibility criteria requirements for applicants for Web TV & OTT Content Service Licenses given in Section 5.1 above? Suggest changes, additions, deletions if any with reasons & justifications.

Comments: Forcing businesses to create a local presence is outside normal global business practice and compels an investment without a business need. This could represent a barrier to trade and a barrier to entry for a business if the market does not demand it, which could in turn have the effect of stifling innovation and limiting consumer choice. The remaining provisions seem unnecessarily restrictive.

In addition, the requirement for a license does not seem appropriate for an online video service which is not restricted by a scarce resource such as spectrum (which is the standard justification for licensing).

Question 3: Do you agree with the list of documents required along with application for applicants for Web TV & OTT Content Service Licenses given in Section 5.2 above? Suggest changes, additions, deletions if any with reasons & justifications.

Comments: These very extensive and onerous requirements are inappropriate for online services, and their application should be restricted to traditional broadcasters, as they were originally intended to. Indeed, the requirement to apply for a local license to operate an overseas service is unusual on a global scale. It may prevent companies without a strong business justification from launching their businesses in Pakistan, and leave existing providers with no choice but to exit the market. This would have seriously adverse effects on economic growth and foreign investment, and may prevent Pakistani users from accessing services they've come to know and love. Pakistan is encouraged to look to the international model that does not require a complicated registration for online video service providers to operate.

4 Report filed by PEMRA in Writ Petition No. 46903 of 2019 (Lahore High Court)

Question 4: Do you agree with the proposal given at Para 4.1.6 above reproduced as under: Give details in support of your answer.

For an OTT Content Service license, for local companies, the management, control and majority shareholding of the applicant company must vest in the local nationals. However, for foreign companies following shall be the requirements:

A. **The company shall have to register in Pakistan with the Securities & Exchange Commission of Pakistan (SECP) under the Companies Act 2017 and the Authority may grant exemption from the requirements of management control & majority shareholding vesting with local nationals. OR**
B. **The company may enter into a distribution / partnership agreement with a local company registered with SECP under the Companies Act 2017 and the local company may apply for the OTT Service license to the Authority.**
C. **In either case the company when granted a license shall have to comply with the Code of Conduct-2015 & other PEMRA laws.**
D. **The company shall have to register with income tax / sales tax etc. authorities of Pakistan and pay applicable taxes as per the prevalent laws of Government of Pakistan.**

Comments: Potentially onerous obligations such as to register with local authorities, partner with local companies, or establish call centers could upend applications and services whose value to consumers and businesses lies in their global reach. Such requirements effectively create barriers to entry and expansion for online video service providers, particularly start-ups that lack the resources to comply in every country where their service is provided. This could result in Pakistani consumers not being able to access the full benefit of online video services, depriving the Pakistani public of state-of-the art technology and access to an expansive global content library.

Lower income consumers could be particularly impacted if access to online video services, which are easy to access and often provided for free, is cut off. Further, such obligations might set precedent for other countries to follow suit with reciprocal regulations for Pakistani online video services, one effect of which would be to build walls for Pakistani digital entrepreneurs trying to expand beyond Pakistan’s borders.

Requiring off-shore online video service providers to comply with the Electronic Media Code of Conduct would be impractical, as it was designed for traditional broadcast services. Furthermore, it would create a conflict of laws situation, where services would lack clarity on how to apply overlapping rights and compliance requirements in multiple jurisdictions. There are other avenues to achieve PEMRA’s objectives, for example by requiring adequate customer information about the content offered (e.g. age rating, content warnings) and a parental control system.

In lieu of local presence requirements, some countries have adopted a VAT digital tax system that conforms to OECD and EU guidelines to ensure sufficient clarity in enforcement and ease of administration for taxpayers. These guidelines help address the risks of double taxation and unintended non-taxation that result from the uncoordinated application of VAT in a cross-border context. Most importantly, the issue of taxation falls under the ambit of the Ministry of Finance, and not PEMRA.

Question 5: Do you recommend option 4.1.6 (a) OR 4.1.6 (b) for regulating a foreign OTT service provider? Give reasons & justification in support of your answer. Do you think there is another option also in addition to or as an alternative to 4.1.6 (a) or (b). Give details if any.

Comments: Both options are onerous for an overseas business. Another option, used elsewhere, could be a simple notification requirement, similar to Singapore's model. The online video service provider would submit its company details to the regulator, and as such the regulator would have contact details to notify the service of any content related concerns or infringements of local law.

Question 6: Do you agree with the proposed Licensing Process given in Section 5 above. Given reasons in support of your answer.

Comments: Licensing requirements seem disproportionate, as stated above.

Question 7: Do you agree with the proposed License Duration given in Section 5.1.2? Should it be extended to 10 years? Give reasons in support of your answer.

Comments: Licensing requirements seem disproportionate, as stated above. As mentioned above, the market for online video services has low barriers to entry, and is constantly in flux with new entrants, mergers, and exits. What's more, even the smallest of operators could set up a website that falls within the overly broad scope outlined in section 2 of the consultation paper. As such, any licensing requirement at all would be disproportionate and ill-fitting, let alone a 10-year license duration.

Question 8: Do you think the Proposed Fee Structure given in Section 5.3 is an appropriate one for regulating the Web TV and OTT Content Services? Can you suggest any alternative fee structure? Give reasons & justifications in support of your answer.

Comments: The proposed fee structure – as well as the licensing regime in general – would be a disincentive to investment by overseas services, which could result in such services no longer being available to Pakistani consumers.

If Pakistan implements a simple approach for domestic and off-shore companies to pay sales tax, in line with OECD and EU guidelines, international experience is that revenue collection will increase. Implementing a fee, on the other hand, would be expected to discourage business from entering Pakistan. There is longer term potential for greater tax collection from sales than a fee.

Traditional content services, such as broadcasters, in many countries complain that the regulatory burden stifles their ability to perform and compete. It is also important to note that broadcasters have tremendous inherent advantages in that they can reach anyone with a television, and consumption of their services is not subject to any data limitation. With this in mind, an innovative and alternate approach would be to study how to support traditional broadcasters by reducing the regulatory requirements and fees on them. This would enhance their ability to compete with new delivery services, while incentivizing the partnerships, investments, and local content production that benefits traditional broadcasters.

Question 9: Do you agree with the proposal for infrastructure given in Section 5.3 above? Give reasons & justifications in either case.

Comments: The AIC seeks further clarity on the infrastructure provisions proposed in the consultation paper. Alluding to any kind of restrictions on network infrastructure is confusing, onerous and a potential barrier to market entry. Whole of government approaches are particularly suitable for this class of policy issues, and should not mandate where data must be stored.

Furthermore, infrastructure continues to be an issue; however, it isn't something content providers can easily solve by creating infrastructure in countries given the costs attached. Content providers can make all the best-of-breed arrangements including CDNs, origin bandwidth and storage, consumer app; but ultimately the performance of delivery of content over the Internet is not guaranteed. Among the uncontrollable elements in the delivery of TV content over the Internet are choke points where packets are delayed or dropped, especially with popular live content.

B. ISSUE SPECIFIC CONCERNS AND RECOMMENDATIONS

Section 4.1.5: ***For a Web TV Service license, the management, control and majority shareholding of the applicant company must vest in the local nationals.***

Comments: The AIC recommends for this requirement be removed as the scope of this provision ignores the benefits of global business models. The requirement for management, control and majority shareholding of the applicant company to vest in the local nationals in Pakistan will create an undue burden for foreign businesses, especially those whose business scale in Pakistan is small, but are looking to expand. This decision should be made by the business themselves based on the business needs rather than as an imposed remedy.

This requirement will make Pakistan and PEMRA unique in forcing foreign businesses to have their management, control and majority shareholding vested in the local nationals. For instance, even Pakistan's telecom sector does not mandate local ownership. It also makes it much more difficult or impossible to provide a service on a cross-border basis and discriminates against that cross-border service provider compared to a provider locally established in Pakistan.

Section 5.4: PEMRA would have the power to "*direct the licensee to immediately stop the provision of a specific program or content within the territory of Pakistan*."

Comments: The AIC would like to seek clarification on the basis on which PEMRA could require the licensee to stop the provision of a specific program or content within Pakistan, especially if the licensee is in compliance with PEMRA laws, the code of conduct, and the technical and quality of service requirements.

While the AIC recognises that reasonable censorship is justified in the media industry because it is a powerful medium that can influence society, we also believe that over-regulation could have a potential impact on people's freedom of expression and speech, which is guaranteed in Articles 19 of the Constitution of Pakistan.

Section 5.5: ***Compliance with Code of Conduct.***

Comments: The AIC would like to express its concerns regarding this compliance requirement given the extremely broad scope of the Electronic Media Code of Conduct 2015 which was developed without media and industry input. Consisting of a series of restrictive provisions, the code bars media from airing "indecent" content that casts "aspersions against the judiciary or armed forces", and require a delaying mechanism for live shows to ensure conformity to the code.

Section 5.7: ***Complaint Handling Mechanism***

Comments: The requirement to establish call centers locally could upend applications and services whose value to consumers and businesses lies in their global reach. Such an obligation could effectively create barriers to entry and expansion particularly for start-ups that lack the resources to comply in every country where their service is provided.

The current timeframe for redressal of complaints is an onerous requirement, particularly given the fact that online video service providers typically cater to millions of customers on a daily basis. We recommend empowering consumers by encouraging them to take responsibility for resolving a complaint with the service provider in the first instance and refer to PEMRA if the provider fails to resolve it within a certain number of weeks rather than 48 hours as stipulated.

Section 5.8: ***Content Policy for Web TV and Over the Top TV***

Comments: Requiring online video services to include at least 90% domestic programs can be a blocker for market entry in disguise. We therefore seek further clarification on the justification on 90% benchmark and suggest removal of the clause.

Meeting consumer demand for local as well as non-local content is essential to attracting consumers and sustaining the business case to provide them with the content they demand. The best way to meet this demand is to have multiple services to meet consumer demand. Competition for distribution on VOD services creates incentives for video producers to create high-quality content. Content quotas distort this competition by creating artificial demand.

We stress that applying quotas to online video services is an inefficient way to promote the creation of locally relevant content, as it restricts the ability of content creators to freely participate in an increasingly competitive and global media market. Delivering locally relevant content to consumers is a shared goal between on-demand service providers and the government, but expanding quota requirements to new platforms will limit the ability of the industry, and specifically the local content market, to meet this goal.

Some likely (unintended) consequences of applying quotas are that online video services will obtain low quality content to meet the requirement or just reduce the amount of non-local content to achieve the prescribed ratio. Both outcomes could lead to poor consumer experiences and represent an artificial distortion in the market that would otherwise be responding to consumer demand.

A key benefit of online content services is that they can create large efficiencies for small producers. In an online environment, a content creator could distribute their work on a global scale using a single file. This helps small businesses to monetise their creative content. However, it also means that online services are able to build up extensive back catalogues. The challenge of a quota system is that it impacts directly on the international back catalogue, meaning that Pakistani customers would be disadvantaged on choice compared to other countries. In a linear service, subject to the confines of a 24-hour broadcasting schedule, or a service constrained by storage space, a content quota might make sense as a way of ensuring that local works are promoted. However, on a service with no such constraints, there is no reason to cut consumer choice.

Further, a content quota would be extremely difficult to manage or enforce. Catalogues are constantly changing on a daily basis, and producers may not make the same content available to all platforms. Factors such as commercial terms, marketing preferences and viewing trends may influence a producer’s decision on where to distribute its content, so a platform will not have absolute control over its offering.

The objective of ensuring the availability of locally relevant content can be met through other means - such as commitments by a platform to feature such works – without restricting consumer choice.

Finally, user preferences change - what, when, where and how much. This is the key difference between streaming content versus traditional delivery systems. Platforms cannot anticipate and control what users listen to/watch/stream as the nature of the service is completely on-demand versus linear radio or TV playback. Restricting titles to 90% quota requirements defeats the flexibility and benefits of online video services to users. If this policy is to achieve and maintain cultural specificities, alternative options are available, e.g. support the local cinema industry; work with international film production companies and support the translation of video content and provision of subtitles in local Pakistani languages.

Section 5.9: ***Surprise Inspections & Review of the Web TV or OTT Service Licensees***

Comments: Drawing from comments made earlier in 4.1.6, many service providers do not have a local presence in the country, which makes it near impossible to be subject to surprise inspections whether it be monthly, quarterly or even bi-annually. The need to partner with a local entity to have a local presence can be costly and will ultimately impede startups that lack the financial resources, or the offering of novel covered services that cannot justify the added expense. More importantly, this deprives the public of a full range of global services and may potentially result in Pakistan falling behind in the rollout of future innovations and services.

Rather than surprise inspections and review of service licenses, PEMRA can instead retain a light regulatory touch and work with service providers. This can be done through (i) holding regular conversations between PEMRA and the industry; (ii) empowering consumers through the introduction of powerful content control tools (e.g., parental control, restricted search filters, etc.) to allow for more self-regulation among users; (iii) sharing publicly available data to better understand the proactive measures that are already being undertaken by the industry with PEMRA.

Section 5.10: ***Coordination with PTA for Enforcement***

Comments: With regard to the blocking of URLs that violate license conditions, it is unreasonable for PEMRA to extend its jurisdiction to impose Pakistani licensing and content requirements on offshore online video service providers.

As mentioned above, these burdensome requirements would impose restrictions on foreign online video service providers by creating market entry barriers. The net outcome of such regulations would harm business and consumers, as businesses would face prohibitive costs and regulatory and administrative burdens and be deterred from offering their services in Pakistan.

OUR RECOMMENDATION: PROCEED WITH CAUTION AND BASED ON EVIDENCE

We believe that a competitive online video ecosystem should provide local and global businesses the opportunity to innovate, as opposed to being restricted by prescriptive rules. Lower restriction should promote content creation, expansion of the local media industry and subsequently strengthen the position of Pakistan as a regional and global hub for creative content creation.

Based on our findings, and on the early stage of the online video market in Pakistan, we make the following overarching recommendations that focus on how the government can step in to create an environment that generates economic growth and benefits the online video market:

1. **Treat digital literacy as a fundamental issue:** Government and the private sector should work together to promote digital literacy as a targeted support scheme.
    a. Digital literacy, including digital security, acts as a strong foundation to help the public make their own judgement and selection of content, supporting better decisions in regard to inappropriate content.
    b. Specific digital literacy programs can also provide professional training in support of a new generation of talents and content creators.
2. **Support investment and partnerships:** Government should create incentives for both foreign and local investors to partner with local creators. It should also establish a government supporting system to promote creative content production in Pakistan. All of these aim to create high-paying local jobs and expand the Pakistani media industry. This would subsequently contribute towards increasing the overall competitiveness of the country.
3. **Allow self-regulation:** Self-regulation has proven itself an effective way to address emerging challenges in fast-moving industries. The self-regulation body should be represented by key stakeholders in a public-private partnership manner.
4. **Adopt a reactive as opposed to proactive approach:** Introduce regulations and amend laws only when required to tackle a specific problem that cannot otherwise be solved by self-regulation, rather than predicting the rules to address an issue which may not have come fully into focus yet. This is especially important when technology has not fully developed.
5. **Review and simplify:** Review the current regulations applied to broadcasters and cable broadcasters based on a rule-by-rule analysis, forgo or level-down regulations that are not justifiable due to technology and market changes.
6. **Engage in dialogue:** Existing regulatory bodies such as PEMRA should discuss and engage with the industry and stakeholders in order to generate appropriate informal and formal responses to the fast-changing online video services market.

C. SUMMARY

Online video services are an essential element of the broadband value chain. Innovation in this field has led to a rich and diverse Internet, and has stimulated consumer demand for broadband Internet access, which in turn is a key driver for network operators to upgrade and expand their networks. Any attempts to impose additional regulation on online video services would create business uncertainty and lower economic growth and investment.

Regulation of online video services should only proceed once the following questions have been thoroughly answered: On what grounds is it justified? Will it create market barriers and stifle innovation? And is it practical given the pace at which new technologies and business models evolve, and the fact that online video services cut across many different jurisdictions?

We encourage PEMRA to consider the immense potential of important technological developments in Internet platforms and on-demand services, and the role these will play in Pakistan's economic transformation journey. Accordingly, the ideal regulatory approach taken in this realm should be aligned with Pakistan's development and aspirations of successfully transitioning into the digital economy era. In turn, this will translate into local growth and opportunity, innovation, investment, and jobs.

-End