

License relief for video-sharing websites

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The government has decided to allow private video-sharing websites to continue operation as long as they do not broadcast illegal content. The State Administration of Radio, Film and Television (SARFT) and the Ministry of Information Industry (MII) said on its website that all video-sharing websites established before January 31 are qualified for a license and can continue operation. The license was needed for any website providing online video services and could have been granted only to State-owned or State-controlled enterprises, according to an earlier regulation that took effect on Friday. "Websites that were established before the regulation took effect and did not have a bad record (in broadcasting illegal content) are qualified to continue their business," said SARFT. But video-sharing websites established after January 31 have to be State-owned enterprises in order to get the license, according to the regulator. On December 29, SARFT and MII sprang a regulation stating that websites that provide video programming or allow users to upload videos in China must obtain a government license and applicants must either be State-owned or State-controlled companies. The regulation surprised many as most video-sharing sites in China are privately held and funded by foreign venture-capital firms. The latest announcement thus saves hundreds of private video-sharing websites from closure or forced cooperation with State-owned enterprises. According to experts, China's online video market is dominated by several big sites, such as Tudou.com, Youku.com and 56.com, which over the past few years have received hundreds of millions of dollars from venture capitalist firms encouraged by Google's \$1.65 billion acquisition of YouTube in 2006. But the lack of a mature business model of the sites has forced many video-sharing websites to tacitly allow individual users to upload copyrighted films, violent videos or even porn clips in an effort to increase their viewer numbers, which in turn helps them get investments from venture capitalists to pay for the rocketing broadband expenses. In recent years, the rise of the Internet has made the government worry about 210 million Chinese Net users, with nearly 20 percent under 18, being exposed to violent and pornographic content. But the failure to establish a rating system and the burgeoning online video websites have made the government's efforts less effective. On January 3, SARFT posted a notice announcing it had suspended the screening license of *Lost in Beijing*, a locally made movie that contains rape, prostitution and explicit sex scenes. The film, known as *Apple* in China, was earlier licensed after some 20 minutes of footage was deleted. But the producers distributed the deleted scenes on the Internet, which have become some of the most popular clips on many video-sharing websites. (China Daily)

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