Audit Protocol for the Financial Reporting Document – Relevant Revenue

Audit protocol pursuant to Article 17a of the Media Regulations 2008 for the audit by the auditor in fulfilment of the obligation to report on the composition and the amount of relevant revenue within the framework of the Dutch investment obligation for the *Commissariaat voor de Media* ('Dutch Media Authority'; hereinafter the 'Authority').

This English translation is for information purposes only. In case of any discrepancies, the Dutch version will prevail.

Version of 7 July 2025

Table of Contents

1. Introduction

The Dutch Media Authority (hereinafter the 'Authority') supervises compliance with the obligation for providers of commercial on demand audiovisual media services to invest in Dutch cultural audiovisual products. This investment obligation entered into force on 1 January 2024. The Authority can only conduct effective supervision if it has the information and documents required.

Pursuant to Article 3.29h of the Dutch Media Act 2008 (*Mediawet 2008*; hereinafter the 'Media Act'), media service providers are required to report annually to the Authority on the amount and composition of their relevant revenue and, where applicable, on their compliance with the investment obligation for the preceding financial year. The third paragraph of the same article provides a legal basis for laying down further rules in a ministerial regulation regarding the supply of documents or information to the Authority. Pursuant to this delegated authority, Article 17a of the Dutch Media Regulations 2008 (*Staatscourant 2025*, no. 3178, dated 28 January 2025) (*Mediaregeling 2008*; hereinafter the 'Media Regulations') stipulates that the statement of the amount and composition of the relevant revenue of a media service provider must be accompanied by an auditor's report issued by an independent external auditor if the relevant revenue of at least one individual commercial on demand audiovisual media service reaches the threshold of €10 million in the relevant financial year. The relevant revenue is determined for each individual commercial on demand audiovisual media service. For a media service provider that provides multiple commercial on demand audiovisual media services, the subject of the audit (the Financial Reporting Document – Relevant Revenue, included in Appendix 1) encompasses all commercial on demand audiovisual media services, irrespective of the amount of their relevant revenue. This means that even if the relevant revenue of one or more of these services remains below €10 million in any given financial year, the composition and amount of this relevant revenue are still part of the subject of the auditor's audit. This choice was made to prevent a situation where a media service provider that provides several services is required to invest less, relatively speaking, than a media service provider that provides a single service. This may be the case if the former media service provider divides the revenue among its different services.

Data on the revenue of media service providers is not easily available, as this is company-confidential information. Moreover, the investment obligation is calculated exclusively on the relevant revenue. The relevant revenue consists of revenue from advertising messages, subscriptions, user transactions, sponsorship and product placement, as described in Article 3.29e(3) of the Media Act. To exercise its supervision, the Authority needs to know the amount and composition of the relevant revenue.

2. Purpose of the Audit Protocol

The Audit Protocol for the Financial Reporting Document – Relevant Revenue (hereinafter the 'Audit Protocol') has been drawn up to provide guidance on the scope and depth of the auditor's work during the audit of the Financial Reporting Document – Relevant Revenue. With this Audit Protocol, the Authority aims to guide the audit approach. The Authority requires the auditor to issue an audit opinion on the Financial Reporting Document – Relevant Revenue. This involves an engagement to audit other historical information, to which auditing standards 0-799 apply.

The basic principle underlying this Audit Protocol is that the audit is conducted by auditors registered in the Netherlands who perform the engagement under Dutch law. However, the Authority permits the audit to be conducted by auditors who are not registered in the Netherlands, provided that they apply international auditing standards as set out in section 6 of this Audit Protocol.

Since 1 January 2024, media service providers have been obliged to submit an auditor's report if at least one of the commercial on demand audiovisual media services being provided generated relevant revenue of €10 million or more in the applicable financial year. The Financial Reporting Document – Relevant Revenue must then be accompanied by the corresponding auditor's report (see Appendix 2) and must be certified by the auditor (by means of initials and a stamp) in accordance with Article 3.29h(3) of the Media Act and Article 17a of the Media Regulations.

The auditor's report must pertain to the amount and composition of the relevant revenue related to all commercial on demand audiovisual media services that the media service provider has reported (as stated in the Financial Reporting Document – Relevant Revenue) for the relevant financial year.

A manual has been drawn up in addition to this protocol. The Manual for the Financial Reporting of Relevant Revenue within the Framework of the Dutch Investment Obligation (hereinafter the 'Manual') is a result of the ministerial regulation pursuant to Article 3.29h(3) of the Media Act.

The Manual includes a decision tree to help media service providers identify the criteria that apply to them and, as a result, the obligations they need to comply with. Reference is made to section 1.2 of the Manual for this decision tree.

Reference is made to section 1.4 of the Manual for definitions of the terms used.

3. Scope of the audit

The auditor conducts the audit in accordance with the auditing standards and aims to obtain reasonable assurance that the amount and composition of the relevant revenue related to all commercial on demand audiovisual media services the media service provider has reported in the Financial Reporting Document – Relevant Revenue for the financial year [year] of (entity name) are stated in accordance with the Manual in all material respects.

The auditor does not need to perform work regarding the identification of the commercial on demand audiovisual media services for the Financial Reporting Document – Relevant Revenue.

4. Distribution

The Financial Reporting Document – Relevant Revenue and the accompanying auditor's report are exclusively intended for use by media service providers. These documents are used to account to the Authority. The media service provider must provide the Authority with additional information on request.

5. Review policy

Before reviewing the file compiled by the auditor, the Authority will ask both the media service provider and the relevant accounting firm for permission.

The auditor will structure the audit file in such a way that the auditor's work can be reviewed by or on behalf of the Authority. In all cases, the auditor's file will explicitly have to demonstrate compliance with this Audit Protocol.

6. Audit approach

As the audit approach is primarily the auditor's responsibility, this Audit Protocol does not prescribe the approach to be adopted in the audit engagement.

The auditor conducts the audit in accordance with Dutch law, which includes the Dutch auditing standards and this Audit Protocol. The auditor will also be guided by the applicable professional rules, in particular the Dutch Code of Conduct and Professional Practice for Accountants Regulation (*Verordening gedrags- en beroepsregels accountants*; VGBA) and the Dutch Regulation regarding the Independence of Accountants in the case of Assurance Engagements (*Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten*; ViO).

As previously stated in this protocol, the Authority permits the audit engagement to be performed by auditors who are not registered in the Netherlands, provided that they apply internationally recognised auditing standards. In this context, nationally or internationally recognised auditing standards are:

- the International Standards on Auditing (ISA) issued by the International Auditing and Assurance Standards Board (IAASB);
- the Public Company Accounting Oversight Board Auditing Standards issued by the Public Company Accounting Oversight Board (PCAOB);
- the US Generally Accepted Auditing Standards (US GAAS) issued by the American Institute of Certified Public Accountants; or
- the auditing standards applicable in the Netherlands as included in Dutch law, including the Further Rules on Auditing and Other Standards (*Nadere Voorschriften Controle- en Overige Standaarden*; NV COS).

If the audit is conducted on the basis of international standards, it must be carried out subject to a quality control system that complies with the International Standards on Quality Management (ISQM) as adopted by the International Auditing and Assurance Standards Board (IAASB). The auditor is also required to act in accordance with the Code of Ethics for Professional Accountants issued by the International Federation of Accountants (IFAC), including the requirements of independence, integrity, objectivity, professional competence and professional behaviour.

In both situations, the auditor will use the Audit Protocol as a basis for the work.

7. Subject of the audit, standards framework and review framework

7.1. Subject of the audit

The subject of the audit is the Financial Reporting Document – Relevant Revenue prepared by the media service provider. The Financial Reporting Document – Relevant Revenue consists of the following documents (in the form of tabs) entitled:

1. Financial Reporting Document – Relevant Revenue (1) - (1st tab of Appendix 1)

2. Financial Reporting Document – Relevant Revenue (2) - (2nd tab of Appendix 1)

7.2. Standards framework

The Financial Reporting Document – Relevant Revenue is subject to the standards framework included in section 1.5 of the Manual, being:

1. The Media Act, Chapter 3, Title 3.2a Commercial on demand audiovisual media services and Article 9.14g of the Media Act.
    - Relevant revenue (as referred to in Article 3.29e(3) of the Media Act) includes all revenue generated in the Netherlands that is related to the provision of the relevant commercial media service(s) on demand. This includes revenue from advertising messages, subscriptions, user transactions, sponsorship and product placement. This is the revenue after deduction of turnover tax (VAT). Apart from VAT, no other deductions are made.
2. The accounting policies applied in the preparation of the most recently adopted financial statements of the media service provider must be based on a generally accepted international reporting standard, being one of the following:
    - International Financial Reporting Standards (IFRS) / International Accounting Standards (IAS);
    - US Generally Accepted Accounting Principles (US GAAP); or
    - Title 9, Book 2 of the Dutch Civil Code, including the guidelines of the Dutch Accounting Standards Board (*Raad voor de Jaarverslaggeving*; RJ).

    For the relevant revenue, a consistent policy must be applied as regards the accounting policies and detailed applications, which must correspond to the accounting policies and detailed applications used in the most recently adopted financial statements, provided that these have been prepared in accordance with laws and regulations.

7.3. Review framework

In conducting the audit of the Financial Reporting Document, the auditor must pay attention to the following exhaustive aspects to be reviewed. Other aspects from Chapter 3, Title 3.2a of the Media Act regarding commercial on demand audiovisual media services fall outside the scope of this audit.

If a media service provider provides at least one commercial on demand audiovisual media service with a relevant revenue of €10 million or more in the relevant financial year, the total relevant revenue must be reported. This means that even if the relevant revenue of one or more of these services provided by the media service provider remains below €10 million in a financial year, this relevant revenue is still part of the subject of the auditor's audit.

Audit framework for the Financial Reporting Document – Relevant Revenue

1. **Media service provider:** establish whether the institution qualifies as a media service provider.
2. **Completeness of the revenue reported:** establish that the amount and composition of all relevant revenue related to the commercial on demand audiovisual media services reported by the media service provider (as stated in the Financial Reporting Document – Relevant Revenue) are reported completely in the document.
    - In that respect, establish whether the revenue reported has been determined in accordance with the provisions laid down in sections 2.2 to 2.4 of the Manual.
3. **Revenue categories:** establish that the relevant revenue reported solely derives from the following permitted revenue categories (other revenue categories may not be reported in the Financial Reporting Document – Relevant Revenue):
    - Advertising messages
    - Subscriptions
    - User transactions
    - Sponsorship
    - Product placement
4. **Allocation of revenue to the Netherlands:** establish that the relevant revenue has correctly been allocated to the Netherlands on the basis of the objective criteria stated in sections 1.5 and 2.2 to 2.4 of the Manual.
5. **Reporting and financial year:** check whether the relevant revenue reported pertains to the financial year that is the subject of the report and whether the provisions of Article 9.14g have been correctly complied with in the event of a split financial year.
6. **Correct allocation in the event of multiple commercial on demand audiovisual media services:** if the relevant revenue of more than one

commercial on demand audiovisual media service is reported, it must be established that the relevant revenue has been allocated correctly and completely to the right service in order to prevent movements between commercial on demand audiovisual media services.

7. **Estimates and consistent policy:** if estimates were used when allocating the relevant revenue, determine that the media service provider has applied a consistent policy and/or cost allocation has taken place in accordance with the existing internal allocation methodology.
    - Establish that the estimation method applied by the media service provider is explained in the Financial Reporting Document – Relevant Revenue correctly and in sufficient detail.
8. **Accounting policies:** establish that the accounting policies applied to determine the relevant revenue included in the Financial Reporting Document – Relevant Revenue correspond to the accounting policies used in the most recently adopted financial statements of the media service provider.

    Also establish that the accounting policies used by the media service provider are explained in the Financial Reporting Document – Relevant Revenue correctly and in sufficient detail.

    The accounting policies applied must be based on a generally accepted international reporting standard, being one of the following:
    - International Financial Reporting Standards (IFRS) / International Accounting Standards (IAS);
    - US Generally Accepted Accounting Principles (US GAAP); or
    - Title 9 of Book 2 of the Dutch Civil Code, including the guidelines of the Dutch Accounting Standards Board.

8. Audit risk methodology

The audit approach is the auditor's primary responsibility.

In the audit approach, the auditor must in any event take into account the following identified risks:

- The risk that the amount and composition of the relevant revenue per reported commercial on demand audiovisual media service reported in the Financial Reporting Document – Relevant Revenue are not reported correctly.
- The risk that the amount and composition of the relevant revenue per reported commercial on demand audiovisual media service reported in the Financial Reporting Document – Relevant Revenue are not reported completely.
- The risk of relevant revenue being moved between several commercial on demand audiovisual media services (if a media service provider provides multiple commercial on demand audiovisual media services) in the Financial Reporting Document – Relevant Revenue.
- Cut-off risk, entailing that the relevant revenue per reported commercial on demand audiovisual media service is not reported in the correct financial year in the Financial Reporting Document – Relevant Revenue.
- The Financial Reporting Document – Relevant Revenue may involve a certain degree of subjectivity when the relevant revenue, including advertising messages, subscriptions, sponsorship and product placement, is allocated to the different territories.
- The risk of inconsistent estimation methods being applied when allocating the relevant revenue, which may result in misstatements in the Financial Reporting Document – Relevant Revenue.
- The risk of the accounting policies applied in the Financial Reporting Document – Relevant Revenue differing from the accounting policies in the most recently adopted financial statements, resulting in reporting inconsistencies.
- (not exhaustive)

Based on this risk assessment, and considering the required level of reliability and accuracy, the auditor determines the appropriate combination of system-based and substantive audit procedures.

9. Reliability and accuracy

The audit must be planned and conducted in such a way that reasonable assurance is obtained that the Financial Reporting Document – Relevant Revenue does not contain any material errors or uncertainties. The auditor will apply a level of assurance of 95.

An unqualified audit opinion implies that, given the aforementioned level of assurance, the report does not contain any misstatements (errors or uncertainties) that exceed the percentages stated in the materiality table below.

The audit must be planned and conducted in such a way that any material misstatements will be identified. An unqualified audit opinion can only be issued if all misstatements identified that are material either individually or in the aggregate are corrected. If a correction is not made sufficiently or is not made at all, this must be expressed by issuing an opinion other than an unqualified audit opinion.

If the auditor concludes that insufficient and/or no appropriate audit evidence is available, which has a profound effect on the subject of the audit, this must be reflected in the auditor's report by means of a disclaimer of opinion.

Audit tolerance

The type of audit opinion to be issued is subject to the tolerances included in the following table:

Materiality table	**Audit opinion**		
	Unqualified audit opinion	Qualified opinion	Disclaimer of opinion/adverse audit opinion
Misstatements in the Financial Reporting Document – Relevant Revenue regarding the amount and composition of the relevant revenue, as well as audit uncertainties, are assessed on the basis of the relevant revenue reported for all commercial on demand audiovisual media services reported by the media service provider.	≤ 5%	> 5% and ≤ 10%	> 10%

If the auditor identifies both misstatements in the Financial Reporting Document – Relevant Revenue and audit uncertainties, the auditor will always consider them in conjunction when forming an opinion.

A misstatement in the Financial Reporting Document – Relevant Revenue arises if the audit conducted shows that the relevant revenue reported is incomplete and/or incorrect because it fails to meet the standards included in section 7. Misstatements are assessed on an absolute basis.

The above applies by analogy to audit uncertainties. An audit uncertainty exists if insufficient information or audit evidence is available to qualify items in the Financial Reporting Document – Relevant Revenue as correct or incorrect. In short, this is when uncertainty exists about whether the standards included in section 7 are met.

10. Auditor's products

Model auditor's report

The auditor reports on the audit work by means of an auditor's report. A model report has been included in Appendix 2.

If the auditor's report contains an unqualified opinion, the auditor will adjust the auditor's report in accordance with the relevant sample report on the NBA website.[1]

For identification purposes, the statements certified by the auditor

- Financial Reporting Document – Relevant Revenue (1)
- Financial Reporting Document – Relevant Revenue (2)

will be added to the auditor's report as appendices.

11. Communication and contacts

Both the drafter of the Financial Reporting Document – Relevant Revenue (the media service provider) and the auditor may consult the Authority's Supervision department for further clarification about the Manual and the Audit Protocol.

The contact details of the Supervision department are as follows:

- Telephone: +31 (0)35-7737700
- E-mail: cvdm@cvdm.nl

[1] https://www.nba.nl/

Appendices

- *Appendix 1 – Financial Reporting Document – Relevant Revenue*
- *Appendix 2 – Model independent auditor's report*

Appendix 1 Financial Reporting Document – Relevant Revenue

Media service providers can visit the Authority's website to gain access to the most recent version of this document.

Financieel verantwoordingsdo

Appendix 2 Model independent auditor's report

If applicable, the auditor is to adapt this model auditor's report to the most recent sample text[2] adopted by the NBA if the engagement is performed by an auditor registered in the Netherlands under Dutch law.

INDEPENDENT AUDITOR'S REPORT

To: Client

Our opinion

We have audited the accompanying Financial Reporting Document – Relevant Revenue for the financial year [year] of (entity name) in (place of registered office), which we have certified.

In our opinion, the Financial Reporting Document – Relevant Revenue for the financial year [year] (hereinafter the 'Financial Reporting Document') of (entity name) has been prepared in accordance with the Manual for the Financial Reporting of Relevant Revenue within the Framework of the Dutch Investment Obligation in all material respects.

Basis for our opinion

We have conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing[3] and the Audit Protocol for the Financial Reporting Document – Relevant Revenue (hereinafter the 'Audit Protocol'). Our responsibilities under those standards are described in the section 'Our responsibilities for the audit of the Financial Reporting Document'.

We are independent of (entity name), as required by the Regulation regarding the Independence of Accountants in the case of Assurance Engagements (*Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten*; ViO) and other relevant independence regulations in the Netherlands.. Furthermore, we have complied with the Code of Conduct and Professional Practice for Accountants (*Verordening gedrags- en beroepsregels accountants*; VGBA).[4]

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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[2] https://www.nba.nl/

[3] A choice for international auditing standards may have consequences for the model auditor's report. Please specify this and change the auditor's report where necessary.

[4] If the audit is conducted on the basis of international standards, it must be carried out subject to the Code of Ethics for Professional Accountants issued by the International Federation of Accountants (IFAC).

Basis for financial reporting and limitation of use and distribution

The Financial Reporting Document has been drawn up on the basis of the accounting policies described in the Manual for the Financial Reporting of Relevant Revenue within the Framework of the Dutch Investment Obligation and has been prepared for the Authority with the aim of allowing (name of media service provider entity) to comply with Article 17a of the Dutch Media Regulations 2008 (*Mediaregeling 2008*) in relation to the Dutch investment obligation. This may mean that the Financial Reporting Document is not suitable for other purposes. Therefore, our audit opinion is exclusively intended for (entity name) and the Authority and should not be distributed to or used by others or for other purposes.

Management's responsibilities for the Financial Reporting Document

Management is responsible for preparing the Financial Reporting Document in accordance with the Manual for the Financial Reporting of Relevant Revenue within the Framework of the Dutch Investment Obligation. Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of a Financial Reporting Document that is free from material misstatement, whether due to fraud or error.

Our responsibilities for the audit of the Financial Reporting Document

Our responsibility is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material misstatements, whether due to fraud or error, during our audit.

Misstatements may arise from fraud or error and will be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Reporting Document. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement where relevant and have maintained professional scepticism throughout the audit in accordance with the Dutch Standards on Auditing, the Audit Protocol, ethical requirements and independence requirements.

Our audit included:

- identifying and assessing the risks of material misstatement of the Financial Reporting Document, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk that a material misstatement is not detected is greater in the event of fraud than in the event of error. Fraud may involve collusion, forgery, deliberate decisions not to record transactions, deliberate misrepresentation or internal control breaches;

- obtaining an understanding of internal control relevant to the audit in order to select audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organisation's internal control;
- evaluating the appropriateness of accounting policies used to prepare the Financial Reporting Document – Relevant Revenue [year] and the reasonableness of accounting estimates made by management and related disclosures in the Financial Reporting Document – Relevant Revenue [year];
- evaluating whether the Financial Reporting Document – Relevant Revenue [year] represents the underlying transactions and events free from material misstatement.

We communicate with persons charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant weaknesses in internal control that we identify during our audit.

Town and date

… (name of accounting firm)

… (name of auditor)