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Netflix Targeted by Russian Foreign Ownership Laws

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Russia's online streaming services could be hit by new laws limiting foreign owners from taking more than a 20 percent stake in any one company, the Kommersant newspaper reported Thursday.

Russia's Media and Communications Union is pushing for new legislation, one source within the state-owned Gazprom Media confirmed.

The legislation, which could come into effect as early as Jan. 1 next year, is hoped to protect the Russian market from companies such as U.S. streaming service Netflix. Some Russian business owners have criticized the plans, warning that they could hurt the market as a whole.

"We are completely against this form of market regulation," said Victor Chekanov, head of Russian streaming site Megogo. "It will completely undermine Russia's attractive investment climate in the internet technology field, which is still in the early stages of its development," he told Kommersant.

Russia's legal online streaming sector grew by 32 percent and is now worth some 3.4 billion rubles ($ 52 million), the TMT consulting firm estimates.

A number of legislative changes related to online streaming in Russia have been developed over the last six months. Rejected proposals included a requirement for all services to carry at least 80 percent Russian-language content, with at least 30 percent being Russian-made.

Foreigners were banned from owning over 20 percent in Russian media companies in 2014, leading to significant redistribution the following year.

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