

# CA decides to relax regulations governing indirect advertising and advertisements for undertaker and associated services

The following is issued on behalf of the Communications Authority:

The Communications Authority (CA) today (July 4) announced its decisions to relax the regulation of indirect advertising in television programme services and to lift the prohibition on the broadcast of advertisements for undertaker and associated services.

## Indirect advertising

Taking effect from July 27, 2018, indirect advertising will be permitted in TV programmes except for news programmes, current affairs programmes, children's programmes, educational programmes, religious services and other devotional programmes.

The decision came after the CA's review of the relevant provisions in the Codes of Practice (Codes) governing indirect advertising, having taken into account the views collected through consultation with the industry and the public, including a territory-wide opinion survey, focus group discussions and a one-month public consultation exercise. The CA also considered the approach adopted in major overseas jurisdictions.

The spokesman for the CA said, "The relaxation facilitates broadcasting licensees to diversify their sources of advertising, striking a balance between providing a more conducive business environment to licensees in light of the keen competition in the broadcasting industry and protection of the interests of viewers."

The spokesman added, "A preliminary review of the substantiated cases of complaints on indirect advertising over the past eight years indicate that around two-thirds of such cases would likely be considered as compliant with the new regulatory regime."

The regulations governing indirect advertising will be relaxed in the following two key respects:

### (1) Product placement

Product placement refers to the inclusion of products/services within a programme in return for payment or other valuable consideration being received by a licensee. The CA decided that product placement will be allowed

so long as the exposure or use of products/services within a programme is presented in a natural and unobtrusive manner having regard to the programme context and genre, and that there is no direct encouragement of purchase or use of the products/services.

Product placement will continue to be allowed in current affairs programmes, subject to the existing condition that licensees should exercise care in the choice of sponsors to safeguard the credibility and integrity of such programmes.

To protect the interests of viewers, licensees will be required to clearly inform viewers of the inclusion of product placement before a programme starts.

## (2) Unpaid commercial references

Unpaid commercial references refer to indirect advertising where no payment or valuable consideration is received by a licensee. The CA decided to lift the current prohibition on undue prominence regarding unpaid commercial references within a programme.

Unpaid indirect advertising in acquired programmes and in direct re-transmission channels will be exempted from compliance with the rules governing product placement. To protect the interests of viewers, licensees will be required to inform viewers of the inclusion of indirect advertising in acquired programmes and in direct re-transmission channels.

## Advertisements for undertakers and associated services

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In addition, the CA also decided to lift the current prohibition on inclusion of advertisements for undertakers or others associated with death or burial in a licensed television programme service and sound broadcasting service.

The revised Codes will be published in the Gazette on July 6, 2018, and will take effect on July 27, 2018, to allow time for licensees to make necessary arrangements for the requirement to notify viewers about the inclusion of indirect advertising in programmes.

To enhance understanding of the new regulatory regime, a set of frequently asked questions (FAQs) ([www.coms-auth.hk/filemanager/en/content\\_498/TV\\_FAQ\\_EN.pdf](http://www.coms-auth.hk/filemanager/en/content_498/TV_FAQ_EN.pdf)) and the summary of public views received during the public consultation have been uploaded to the CA's website ([www.coms-auth.hk/filemanager/statement/en/upload/455/20180704Summary\\_IndAd\\_EN.pdf](http://www.coms-auth.hk/filemanager/statement/en/upload/455/20180704Summary_IndAd_EN.pdf)) and ([www.coms-auth.hk/filemanager/statement/en/upload/456/20180704Summary\\_Undertaker\\_EN.pdf](http://www.coms-auth.hk/filemanager/statement/en/upload/456/20180704Summary_Undertaker_EN.pdf)) for reference of the licensees and the public.

Details of the CA's decisions above are in the Appendix

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