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## **Law on Advertising**

### **Article 1. The spheres and the aims of applying this law**

1. This Law defines the legal basis of creating and disseminating advertisements on the territory of the Republic of Armenia and aims at:

- a) providing necessary conditions for the creation and dissemination of advertisements corresponding to the interests of the public, advertisement consumers, advertisers, commercial producers, commercial transmitters;
- b) preventing spread of unreliable information through advertising that may cause damage to legal and physical entities, to their honor, dignity, business reputation and the interests of citizens;
- c) preventing misleadership of legal and physical entities through advertising, if it concerns the quality, the nature, the ways and the place of manufacturing, distinctive features of consumers, the conditions of realization and other indications of merchandise, works, services (hereinafter - merchandise), as well as the rights of an advertiser;
- d) preventing the dissemination of advertisements, containing disrespectful comparisons with other pieces of merchandise, as well as with the rights and the status of legal and physical entities;
- e) preventing the dissemination of advertisements, infringing upon public values and conventional norms of morality.

2. This Law is valid on the whole territory of the Republic of Armenia, regardless of the citizenship and the venue of residence of the participants of the created relations.

3. This Law applies also to the legal and physical entities of the Republic of Armenia, that carried out certain activities outside the Republic of Armenia by means of advertising, and through those activities contributed to the restriction of business competition, misled the legal and physical entities, functioning in the territory of the Republic of Armenia, or led to other negative consequences in merchandise market of the Republic of Armenia.

4. This Law doesn't regulate the relations, connected with political advertising.

5. This Law doesn't apply to the announcements of physical entities, not connected with the implementation of business activities.

### **Article 2. General conceptions used by the law**

The following general conceptions are used in this Law:

Advertising – spread of information in an indefinite circle of persons, through various mass media, on legal and physical entities, merchandise, ideas and projects, intended to form and maintain interest in those physical and legal entities, merchandise and projects.

Unscrupulous advertising – advertising, upon the production and dissemination of which, prohibitions and restrictions, established by the functioning legislation, were circumvented;

Obviously false advertising – a form of unscrupulous advertising, through which the advertiser, the producer or the transmitter of advertisements intentionally mislead advertisement consumers.

Counteradvertising – a form of advertising, implemented for the purpose of eliminating the consumer's erroneous ideas caused by unscrupulous advertising, by means of refuting the unscrupulous advertising and reestablishing the real facts.

Advertiser – a legal or physical entity, giving advertising information for the purpose of producing, allocating and disseminating the advertisement.

Advertisement producer (commercial producer) – a legal or physical entity, directly performing services of advertisement production, guided by the Law of the Republic of Armenia «On enterprises and business activities» in the course of its functioning;

Advertisement transmitter (commercial transmitter) – legal or physical person, allocating and distributing advertisements by means of providing with corresponding equipment;

Advertisement consumer – legal or physical person, to whom the advertisement is conveyed, and who's subjected to corresponding influence of advertising.

### **Article 3. Legislation on advertising**

In the Republic of Armenia, legislation on advertising includes this Law, other legislative acts of the Republic of Armenia and corresponding international and intergovernmental contracts signed by it.

If the norms, established by the international contract ratified by the Republic of Armenia, are different from those stipulated in this Law, the norms of the international contract should be applied.

### **Article 4. Copyright of advertising**

An advertisement may completely or partially be an object of copyright, protected by the legislation of the Republic of Armenia.

### **Article 5. General requirements towards advertising**

Advertising should be legal, reliable and proper.

Advertising language in the Republic of Armenia is Armenian.

If necessary, at the advertiser's discretion, advertising presentation may be dubbed also into other languages - in relatively small letters.

This provision doesn't apply to foreign language newspapers, special publications, labels and trade marks.

The volume of an advertising presentation in Armenian shouldn't be less than the information of the foreign language version.

## **Article 6. Legality of advertising**

Advertising is prohibited and is considered to be illegal if it is carried out by means of:

- a) taking advantage of people's trust, their lack of experience or knowledge;
- b) discrediting the consumers that don't use the advertised goods;
- c) making use of prejudice and superstitions;
- d) using expressions, discrediting a competitor or a group of competitors, as well as the characteristic features of the produced and sold merchandise, or improper comparisons with other legal or physical persons and goods;
- e) using information not corresponding to the real demands of the goods;
- f) appealing people for violence, aggression, panic, as well as violation of conventional norms of morality;
- g) using appeals and argumentation directed towards the environment;
- h) using appeals and argumentation, calling for activities threatening the life, health and the safety of a consumer;
- i) using a project, a text, advertising formulas, illustrations, music and sound effects and other means to mislead consumers.

## **Article 7. Reliability of advertising**

An advertisement should be banned if the reliability of advertising is violated and if it concerns:

- ? ) the description of a merchandise – nature, composition, manufacturing date, purpose, consumer characteristics, conditions of application, accordance with the standards, quantity, country of origin;

- b) the cost and the price of a merchandise at the moment when the advertisement is published;
- c) the supplementary conditions of payment;
- d) the delivery, exchange, repayment, repair, maintenance and operation of a merchandise;
- e) the guarantee obligations;

## **Article 8. Appropriateness of advertising**

An advertisement is banned if it violates the appropriateness of advertising, namely:

- ?) if it discredits the conventional and national norms of morality;
- b) if it contains insulting phrases, comparisons and images with regard to the race, nationality, profession or social background, age group or sex, language, religious or other beliefs;
- c) if it directly or indirectly discredits state symbols (emblem, flag, hymn, currency notes, etc) or expresses disrespectful attitude towards them;
- d) if it discredits legal or physical entities, as well as the industrial, commercial or other activities, profession, assortment, etc.

## **Article 9. Advertising in electronic media**

1. It is banned to use more than one advertising pause (break) in radio programs of less than 10 minutes and TV programs of less than 20 minutes.
2. It is banned to broadcast advertisements during a TV or radio program more often than after every 20 minutes. The duration of advertisements shouldn't be more than 10 minutes on the expectation of each broadcasting hour.
3. An advertising break during broadcasting of official information is banned.
4. The regularity of social advertising, broadcast through electronic media, is not restricted, but the duration of each program should be no more than 5 minutes during one hour of broadcasting.
5. The provisions of this article are not valid if a TV or radio program is an advertisement itself or if the advertisement is broadcast through an advertising channel.

## **Article 10. Advertising in print media**

1. In print media the volume and the subject of advertising is defined in an order stipulated by their charter. Print media, distributed through subscription, are obliged to notify their

- subscribers of the limits of advertising, placed in one issue, and of possible changes (without the additional advertising space).
2. Print media publish the advertising rates for a space unit (considering the replacement, urgency and other data) and all the changes no later than 20 days before the application.
  3. The calculation of advertising space is carried out through the units of metric system of measuring or with the help of typographic signs.
  4. The provisions of this article are not valid, if print media have an exclusive advertising format.

## **Article 11. External advertising**

External advertisements are placed in populated areas in the form of posters, bills, announcements, stands, illuminated panels and other technical means.

The volume, the quantity and the placement order of external advertising are defined by the local governmental body.

If an advertisement is located on an object or in a territory, subordinate or belonging to the local governmental body, then the order and the amount of the charge are defined by the local governmental bodies, and the control is carried out by them as well. The fee is contributed to the local budget.

It is banned to locate advertisements in museums, inside historical and architectural monuments, as well as in the buildings of state and local governmental bodies and on their territories.

## **Article 12. Transport advertising**

Advertisements are located on means of transportation with the consent of their owners.

For the reasons of traffic security the government of the Republic of Armenia makes restrictions concerning the placement of separate advertisements on means of transportation.

## **Article 13. Social advertising**

1. An advertisement transmitter is obliged to grant no less than 5 percent of its annual advertising time (print space) to non-commercial advertising of national interest on health matters, environment protection, and social security.
2. Orders for placing social advertisements can be made by ministries, government departments, territorial and local governmental bodies of the Republic of Armenia, as well as by non-governmental organizations.
3. The advertiser covers the production and placement expenses of social advertisements.

## **Article 14. Protection of persons under legal age upon production, allocation and dissemination of advertising**

An advertisement is banned:

- a) if the credulity and lack of experience of persons under legal age is being used;
- b) if it contains audiovisual fragments, causing moral or physical harm to persons under legal age;
- c) if the prestige of the parents and teachers, as well as the trust in them are undermined.

It is banned to place advertisements of alcoholic drinks and tobacco in radio and TV programs for children and teenagers, in print media targeting persons under legal age, as well as in children's, educational, medical, cultural, sports organizations, institutions and on their territories.

It is banned to use in advertisements the audiovisual or other images of persons under legal age, if they are not related to merchandise stipulated for persons under legal age.

## **Article 15. Particular features of advertising separate types of merchandise**

While advertising alcoholic drinks and tobacco, it is banned:

- a) to suggest that alcohol and tobacco have healing, stimulating, soothing and relaxing characteristics;
- b) to motivate the consumers to a wide use of alcohol and tobacco, to express a negative attitude towards not consuming those products or consuming them moderately;
- c) to represent the high degree of alcohol in drinks and the high degree of nicotine in tobacco as a positive characteristic.

It is banned to advertise tobacco if the advertisement doesn't contain a warning information on damages caused by smoking.

While advertising alcoholic drinks and tobacco, it is banned to address directly to persons under legal age.

While advertising alcoholic drinks and tobacco, it is banned to demonstrate how those products are consumed.

It is banned to advertise alcoholic drinks and tobacco through electronic media from 7 to 21.

It is banned to advertise medications, medical equipment and methods of medical treatment without the permission of the Ministry of Health of the Republic of Armenia.

It is banned to advertise narcotics, toxic and powerful medications.

It is banned to advertise medications, medical equipment and methods of medical treatment if a special medical prescription is needed for using those products.

This list is confirmed by the Government of the Republic of Armenia.

## **Article 16. Advertising of financial, insurance, investment services, securities**

It is banned to advertise institutions carrying out banking, insurance and other financial-credit and fiscal operations, including security operations and services, if at the moment of ordering the advertisement and at the period of its publication the subject of the advertisement hasn't obtained a license, in an order stipulated by the law.

While advertising the above-mentioned services, it is banned:

- a) to guarantee, forecast or promise that the future activities will be effective (guaranteed), as well as to make declarations on the increase of the market value of the securities;
- b) to put quantitative information, if it doesn't directly concern the advertised institutions, their services and securities;
- c) to place in an advertisement of ordinary stocks some information on their market values or the guarantee of their dividends.

## **Article 17. Contractual nature of advertising**

The relations between an advertiser and an advertisement transmitter have a contractual nature and are regulated by an order established by the law.

## **Article 18. Rights and obligations of the subjects involved in advertising activities and providing information for the production and dissemination of commercials**

In order to produce commercials, an advertisement producer and an advertisement transmitter are obliged to require, and an advertiser is obliged to provide them with a documentary confirmation of the reliability of the given information (a license, a certificate).

## **Article 19. Obligations of commercial producers abiding by the legislation of the Republic of Armenia on advertising**

1. If the advertiser's requirements concerning the advertisement are at variance with the legislation of the Republic of Armenia on advertising, the advertisement producer or the advertisement transmitter is obliged to inform him about it.
2. If the advertiser, in spite of the well-founded warning of the advertisement producer or the advertisement transmitter, doesn't change his requirements or doesn't confirm in a documentary form the reliability of the information given to them, the advertisement producer or the advertisement transmitter has the right to cancel the contract and to demand from the advertiser a compensation for the sustained losses.

## **Article 20. Obligations of advertisers, advertisement producers and advertisement transmitters in providing the state authorities with information**

The advertiser, advertisement producer and advertisement transmitter, having infringed the legislation, on demand of an authorized governmental body, controlling the adherence to the legislation on advertising, are obliged to provide it with documents, verbal and written explanations and other information.

## **Article 21. General provisions on unscrupulous advertising**

1. It is banned to publish unscrupulous advertising, including obviously false advertising.
2. In order to consider an advertisement to be unscrupulous, a fact of delusion or public danger should be available.
3. Delusion means disorientation of legal and physical entities as a result of a complete or partial unreliability, a complete or partial omission and distortion of information on the characteristics, quantity, quality, particular features, price of the merchandise and other information, as well as information on their advertisers.
4. Public danger means doing harm to the rival, inciting someone to violence, making use of the prejudices, superstitions and lack of experience of the advertisement consumers, urging the advertisement consumers to carry out activities which are dangerous for the health, properties, as well as the environment.
5. If the actions of an advertiser, advertisement producer, advertisement transmitter are objective in the process of advertising activities, but may mislead the consumer or make the advertisement publicly dangerous, the existence or the absence of the advertiser's or the advertisement producer's premeditated intention is not taken into consideration.
6. Partially unscrupulous advertising is considered to be completely unscrupulous.
7. The literal veracity of an advertisement doesn't protect it from being unscrupulous, if the advertisement is understood in another way due to its overall contents.
8. An advertisement may be considered unscrupulous not only because of the contents, but also because of the location, the time and the means of dissemination (allocation).

## **Article 22. Counteradvertising**

1. In case of determining the fact of unscrupulous advertising, the infringer of the legislation on advertising is obliged to publish a counteradvertisement at his own expense.
2. Counteradvertising may be carried out also by other legal and physical entities, willing to undertake these functions on the suggestion of an authorized governmental body, controlling the advertising legislation or the judicial bodies.
3. Counteradvertising is carried out by the same means as advertising – using the same terms of the duration, space, site and order.

### **Article 23. Responsibilities for using unscrupulous advertising. Turning down counteradvertising**

1. The legal and physical entities, whose rights have been violated in the process of unscrupulous advertising, have the right to address the court in an established order, demanding:

- a) a compensation for losses;
- b) a compensation of harms done to the life, health and properties of a citizen;
- c) a compensation of moral harms;
- d) a public refutation of the advertisement.

2. The advertiser, advertisement producer and advertisement transmitter bear the responsibility for making use of the unscrupulous advertising and turning down the counteradvertising.

The advertiser bears responsibility for the legality of an advertisement, the reliability of the information contained in the advertisement, if he isn't able to prove that the violation of the requirements of the advertising legislation happened because of the advertisement producer or the advertisement transmitter.

The advertisement producer bears responsibility for the appropriateness and legality of an advertising announcement.

The advertisement transmitter bears responsibility for the means, the time and the place of disseminating the advertisement.

3. Legal and physical entities bear responsibility for making use of unscrupulous advertising and turning down counteradvertising, according to the article 26 of this Law, in an order, established by the legislation of the Republic of Armenia.

### **Article 24. The authorized body of state administration of the Republic of Armenia, controlling the observance of the legislation on advertising**

The authorized body of state administration of the Republic of Armenia, controlling the observance of the legislation on advertising, is formed in an order, established by the Government of the Republic of Armenia.

## **Article 25. The jurisdiction of the authorized body of state administration of the Republic of Armenia, controlling the observance of the legislation on advertising**

The authorized body of state administration of the Republic of Armenia, controlling the observance of the legislation on advertising, is empowered:

- a) to notify of the existence of unscrupulous advertising, carried out by legal and physical entities, and to ban it;
- b) to send orders to the advertiser, advertisement producer and advertisement transmitter on stopping the infringement of the legislation on advertising and on carrying out counteradvertising;
- c) to file lawsuits against the advertiser, advertisement producer and advertisement transmitter when a fact of unscrupulous advertising is available, and to file a lawsuit with an offer of liquidation when a fact of a regular infringement of the legislation on advertising is available;
- d) to give clarifications on the legislation of the Republic of Armenia on advertising.

## **Article 26. Responsibilities for violating the legislation of the Republic of Armenia on advertising**

1. The authorized body of state administration of the Republic of Armenia is empowered, according to the valid legislation of the Republic of Armenia, to impose a fine on the advertiser, advertisement producer and advertisement transmitter for evading from implementing the requirements of its orders on the infringement of the advertising legislation or implementing them irregularly.
2. The heads of enterprises of advertisers, advertisement producers, advertisement transmitters bear administrative responsibilities for the infringements, stipulated by the first paragraph of this article. In such cases the authorized body of state administration of the Republic of Armenia has the right to impose a fine on them. The amount of fine may be up to a hundredfold of the minimum salary.
3. Advertisers, advertisement producers, advertisement transmitters have the right to address the court, demanding to invalidate completely or partially the orders of the authorized body of state administration of the Republic of Armenia, or to cancel them, or to change the decision on the imposition of a fine.

The existence of a lawsuit doesn't stop the implementation of the requirements of the order or the enforcement of the decision on the imposition of a fine, if the court hasn't made a decision on stopping or ceasing the implementation of the indicated acts.

## **Article 27. Enforcement of this Law**

This Law comes into force starting from the moment of its publication.