# (with the Amendments and Additions of December 14, 2001) FEDERAL LAW NO. 108-FZ OF JULY 18, 1995 ON ADVERTISING

(with the Amendments and Additions of June 18, 2001)

# Adopted by the State Duma on June 14, 1995

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# **Chapter I. General Provisions**

**Article 1.** Objectives and the Sphere of Application of the Present Federal Law

1. The present Federal Law shall regulate the relation arising in the process of the production, placement and distribution of advertisements on the markets of goods, works and services (hereinafter referred to as goods) of the Russian Federation, including the markets of the banking, insurance and other services connected with the use of the monetary funds of citizens (natural persons) and juridical persons, and also the markets of securities.

The objectives of the present Federal Law shall be protection from unfair competition in the field of advertising, the prevention and suppression of improper advertising capable of misleading consumers or of injuring the health of citizen or damaging the property of citizens or juridical persons, or the environment, or of blemishing the honour, dignity or business reputation of the said persons, and also of encroaching upon the public interests, and the principles of humanity and morality.

- **2.** The present Federal Law shall be applicable in those cases when the actions performed outside the Russian Federation by juridical persons or citizens of the Russian Federation in the field of advertising lead to a restriction of competition or mislead juridical or natural persons on the territory of the Russian Federation or entail any other adverse consequences on the commodity markets of the Russian Federation.
- **3.** The present Federal Law shall apply to foreign juridical persons, and also to foreign citizens and stateless persons who are individual businesses registered in the established procedure and who produce, place and distribute advertisements on the territory of the Russian Federation.
  - 4. The present Federal Law shall not apply to political advertising.
- **5.** The present Federal Law shall not apply to the notices of natural persons, including in the mass media, unrelated to the conduct of business activity.

# Article 2. Basic Notions

For the purpose of the present Federal Law, the following basic notions shall be used:

advertising (advertisement) - information spread in any form by any means about a natural or juridical person, or about commodities, ideas and initiatives (advertising information) which is designed for an indefinite circle of persons and is called to form or maintain an interest in such natural or juridical person, or commodities, ideas and initiatives, and to facilitate the realization of the commodities, ideas and initiatives;

**improper advertising (advertisement)** - unfair, untrue, unethical, knowingly false, etc. advertising which infringeson the requirements for its content, time, place and manner of distribution established by the legislation of the Russian Federation;

**corrective advertising** - a disproof of improper advertising spread for the purpose of removing the consequences caused thereby;

**advertiser** - a juridical or natural person that is a source of advertising information for the production, placement and subsequent distribution of the advertising;

**advertising agency**, **agent** - a juridical or natural person giving, in full or in part, the advertising information a form ready for distribution;

**advertising medium** - a juridical or natural person placing and/or distrubution information by means of furnishing and/or using certain property, including the technical facilities of radio or television broadcasting, and also communication channels, air time, and other means;

**advertising consumers** - juridical or natural persons to whose knowledge the advertising is or may be brought, as a consequence of which they are or may be relevantly influenced by the said advertising.

### Article 3. Legislation of the Russian Federation on Advertising

The legislation of the Russian Federation on advertising shall consist of the present Federal Law and any other federal laws adopted in conformity therewith.

The relations arising in the process of the production, placement and distribution of advertising may also be regulated by decrees of the President of the Russian Federation, normative legal acts of the Government of the Russian Federation and normative legal acts of the federal bodies of executive power issued in conformity with the present Federal Law.

# Article 4. Copyrights and Neighbouring Rights

Advertising may fully or partly be an object of copyright and neighbouring rights. In such case copyrights and neighbouring rights shall be subject to protection in accordance with the legislation of the Russian Federation.

### **Chapter II. General and Special Requirements for Advertising**

#### **Article 5.** General Requirements for Advertising

**1.** Advertising must be recognizable without any special knowledge or without the application of any technical means precisely as <u>advertising</u> directly at the moment of its presentation regardless of the form or advertising vehicle used.

The use in non-advertising radio, television, video, audio, cinema or printed production of a target-oriented attraction of the attention of <u>consumers</u> to a specific brand (model, nomenclature Article) of a commodity or to a manufacture, performer or seller to form or maintain an interest therein without a proper preliminary communication thereon (in particular, by means of a note "as advertising") shall not be permissible.

If radio, television, video, cinema or printed products are distributed in parts (series), then the communications about the advertisements must also be repeated according to the numbers of the parts (series).

The mass media organizations shall be prohibited from collecting a payment for placing an advertisement in the guise of informational editorial or author's material.

- **2.** Advertising on the territory of the Russian Federation shall be distributed in the Russian language and, at the <u>advertisers'</u> discretion, additionally in the national languages of the republics and the native languages of the peoples of the Russian Federation. This provision shall not apply to radio or television broadcasting and the printed publications carried out exclusively in the national languages of the republics, the native languages of the peoples of the Russian Federation and in foreign languages, nor to the registered trade marks (service marks).
- 3. Advertising of commodities and the advertising about the advertiser himself, if the activity conducted by him requires a special permit (license), but such a permit (license) has not been obtained, and also the advertising of commodities prohibited from production and realization in

accordance with the legislation of the Russian Federation, shall not be permissible.

On the restrictions pertaining to emission and circulation of securities see Federal Law No. 46-FZ of March 5, 1999

On restriction of the advertizing in the sphere of the turnover of narcotic agents, of psychotropic substances and of their precursors see Federal Law No. 3-FZ of January 8, 1998

If the advertiser's activity is subject to licensing, in the advertisement there must be indicated the number of the license, and also the name of the issuer of the license.

- **4.** Advertising of goods which are subject to obligatory certification must be accompanied by a note "subject to obligatory certification."
- **5.** The use in advertising of objects of exclusive rights (of intellectual property) shall be permissible in the procedure stipulated by the legislation of the Russian Federation.
- **6.** Advertising must not incite citizens to violence or aggression, arouse panic, or incite citizens to perform dangerous actions capable of injuring the health of natural persons or threatening their safety.
  - **7.** Advertising must not incite citizens to actions which violate the environmental legislation.

#### Article 6. Unfair Advertising

Unfair advertising shall be that which:

discredits juridical or natural persons that do not use the advertised products;

contains incorrect comparisons of an advertised commodity with a commodity (commodities) of other juridical or natural persons, and contains statements or images defaming the honour, dignity and business reputation of a competitor (competitors);

misleads consumers with regard to an advertised good by means of imitating (copying or counterfeiting) the general design, text, advertising formulae, images, musical and sound effects used in the advertising of other goods, or by means of abusing the confidence of natural persons or their lack of experience or knowledge, including in connection with the lack of essential information in the advertising.

Unfair advertising shall not be permissible.

# Article 7. False Advertising

False advertising shall be that contains information not corresponding to reality with regard to: such characteristics of a commodity as the nature, composition, method and date of manufacture, the purpose, the consumer properties, the conditions of application, the availability of a certificate of correspondence, certification marks and marks of correspondence to the State standards, the quantity and the place of origin;

the availability of the commodity on the market and the possibility of acquiring it in the indicated volume, period of time and place;

the cost (price) of the commodity at the moment of distribution of the advertisement;

the additional conditions of payment;

the delivery, replacement, return, repair and maintenance of the good;

the guarantee obligations, service lifetime and application time;

the exclusive rights to the results of intellectual activity and the means of the individualization of a juridical person, the differentiation of products, and works or services produced, equated to the said exclusive rights;

the rights to the use of the State symbols (flags, State emblems, anthems), and also of the symbols of international organizations;

the official recognition, the receipt of medals, diplomas and any other awards;

the furnishing of information on the methods of acquiring a full series of a commodity if the commodity is a part of a series;

of the results of research and tests, scientific terms, or quotations from technical, scientific and any other publications:

statistical data which must not be presented in a form exaggerating their soundness;

references to certain recommendations or to an approval of juridical or natural persons, including to obsolete ones;

the use of terms in the superlative degree, including by means of using the words "the most," "only," "the best," "absolute," "unique," etc., if it is impossible to confirm them by the relevant documents;

comparison with another commodity (other commodities), and also with the rights and the position of other juridical and natural persons;

references to certain guarantees to the consumer of the advertised commodities;

the actual scope of the demand for a commodity;

information on the advertiser himself.

False advertising shall not be permissible.

#### Article 8. Unethical Advertising

1. Unethical advertising shall be that which:

contains textual, visual or sound information infringing upon the generally accepted norms of humanity and morality by means of using insulting words, comparisons or images with regard to the race, nationality, profession, social category, are group, sex, language, or the religious, philosophical, political and any other convictions of natural persons;

disparages pieces of art which are national or world cultural patrimony;

discredits the State symbols (flags, national emblems, anthems), the national currency of the Russian Federation or of any other State, or religious symbols;

discredits a natural or juridical person, an activity, a profession or a commodity.

Unethical advertising shall not be permissible.

**2.** A natural or juridical person that has become aware of the production or distribution of an advertisement containing information tarnishing his honour, dignity or business reputation, shall have the right to apply for the protection of the infringed rights to a court of law or an arbitration court, respectively, in the procedure stipulated by the legislation of the Russian Federation, and shall also have the right to demand that the advertiser disprove such an advertisement in the same manner in which it was distributed, unless the advertiser does so voluntarily.

# Article 9. Knowingly False Advertising

Knowingly false advertising is that with whose aid the advertiser (<u>advertising agency</u>, <u>advertising medium</u>) wilfully misleads the <u>advertising consumer</u>.

Knowingly false advertising shall not be permissible.

### Article 10. Subliminal Advertising

The use in radio, television, video, audio, cinema and other production and distribution otherwise of subliminal advertising, that is advertising which produces an unconscious impact on the consumer's perception, including by means of using special video inserts (double audio recording) or otherwise, shall not be permissible.

<u>Federal Law</u> No. 162-FZ of December 14, 2001 amended Article 11 of this Federal Law See the previous text of the Article

#### **Article 11.** Specificities of Advertising in Radio and Television Programs

1. In radio and television programs it is prohibited to make advertisement breaks and combine with advertisement, in particular, in the form of overlapping, for instance, by means of a running line:

children, educational and religion broadcasts;

radio plays and fiction films without the consent of copyright owners;

live broadcasts included in the list set out by the Federal Law on the Procedure for Covering the Activities of Governmental Bodies by State-Owned Mass Media;

other broadcasts shorter than 15 minutes.

Other broadcasts shorter than 15 minutes and also radio plays and fiction films cannot be combined with advertisement at intervals shorter than 15 minutes or they can be interrupted the number of times equal to the number of 15-minute terms incorporated in the duration of such broadcasts, radio plays and fiction films.

When advertisement is being broadcast the sound level shall not exceed that of the program being broadcast..

- **2.** When using advertising in the form of imposition, including illuminated letter advertising, its size must not exceed seven per cent of the area of the still.
- **3.** Propagation of one and the same advertisement (in terms of content) of one and the same good or of an advertisement on an advertiser shall not be performed for a total duration of up to two minutes more than twice in one hour of the on-the-air duration of a radio and television program in a broadcasting frequency.
- **4.** In radio and television programs not registered as ones specialising in messages and materials of advertising character advertisement shall not exceed 20 per cent of the on-the-air time.

#### Article 12. Specificities of Advertising in Periodical Printed Publications

In periodical printed publications not specializing in communications and materials of nature, advertising must not exceed 40 per cent of the volume of one issue of a periodical printed publication.

**Article 13.** Specificities of Advertising in the Cinema, Video and Information Servicing

- **1.** Interruption with advertising of the showing of a film, with the exception of intervals between its episodes (parts), in the cinema and video servicing shall not be permissible.
- **2.** In the information telephone servicing, advertising may be furnished only after the information requested by the subscriber has been communicated.
- **3.** With paid information telephone, computer and other servicing, advertising may be furnished only with the consent of the subscriber. The cost of such advertising must not be included in the cost of the information requested by the subscriber.

# Article 14. Specificities of Outdoor Advertising

- 1. The distribution of advertising in urban and rural settlements and on other territories may be carried out in the form of posters, stands, illuminated boards and other technical means of stable territorial placement (outdoor advertising) in the procedure stipulated by <a href="Lemma 2">Lemma 2</a> and <a href="3">3</a> of the present Article. Outdoor advertising must not have resemble traffic signs and indicators, worsen their visibility, or decrease traffic safety.
- **2.** The distribution of outdoor advertising in urban and rural settlements and on other territories shall be permissible in the presence of a permit of the relevant body of local self-government agreed upon with:

<u>Federal Law</u> No. 76-FZ of June 18, 2001 amended paragraphs 2 and 3 of Article 14 of this Federal Law

See the previous text of the paragraphs

the relevant motor road management body, and also with the the militia body empowered to exercise control, supervision and permit-issuance functions in the field of road traffic safety, - in the allotment strip and the wayside of the motor roads - outside the territories of the urban and rural settlements:

the militia body empowered to exercise control, supervision and permit-issuance functions in the field of road traffic safety, - on the territory of the urban and rural settlements;

See <u>Provisional Demands</u>, Made on the Placement of Advertisements on the Motor Roads and in the Streets in Accordance with the Terms for Ensuring the Safety of the Road Traffic approved by the Chief State Road Transport Inspection of the Russian Federation on September 6, 1995

the relevant railway management body - in the allotment strip of railways.

For the issuance of permits for the distribution of outdoor advertising, taking into account the requirements stipulated by <a href="Item-1">Item 1</a> of the present Article, a payment shall be collected in the procedure and at the rates established by the relevant body of local self-government in agreement with the relevant bodies mentioned in the present Item. In this case the payment rate must not exceed the amount of the expenses on the conduct of the works in the issuance of the permits for the distribution of outdoor advertising, the determination of the places for its distribution and the control over the condition of the outdoor advertising and the technical facilities of its stable territorial placement.

**3.** The distribution of outdoor advertising by means of installing it on a certain territory (including the territories of monuments of culture, ritual objects, protected natural complexes), or in a building, structure or any other object, and also the determination of the rate and procedure for making the payment for the distribution of the said advertising shall be carried out on the basis of an agreement with the proprietor or with the person having the real rights over the property, unless the law or the agreement stipulate otherwise in respect to the person having the real rights over the property and provided that there is the permit stipulated by <a href="Item-2">Item 2</a> of the present Article.

Article 15. Specificities of Advertising on Transport Vehicles and on the

1. The distribution of advertising on transport vehicles shall be carried out on the basis of agreements with the proprietors of the transport vehicles or with the persons having the real rights over the transport vehicles, unless the law or the agreement stipulate otherwise in respect to the persons having the real rights over the said property.

The cases of restricting or prohibiting the distribution of advertising on transport vehicles for the purpose of ensuring traffic safety shall be determined by the authorized bodies entrusted with the control over traffic safety.

**2.** The distribution of advertising on the items of mail shall be carried out only with the permission of the federal body of executive power whose competence comprises matters of the postal service. The procedure for issuing the permits and the rate of the payment collected therefor shall be determined by the said body. In this case the said payment must not exceed the amount of the expenses on the conduct of the works in the issuance of the permits for the distribution of the advertising. The payment shall be made to the federal budget in full.

# **Article 16.** Specificities of Advertising Certain Types of Commodities

In keeping with Article 33 of the present Law the effect of Item 1 of the present Article with respect to the advertising of alcoholic drinks, tobacco and tobacco goods in television programmes shall be abolished as from January 1, 1996, and the advertising of such goods in television programmes from that instant shall not be permissible

**1.** The advertising of alcoholic drinks, tobacco and tobacco goods, when being distributed in any manner, must not:

contain a showing of the processes of smoking and consumption of alcoholic drinks, nor should create the impression that the consumption of alcohol or smoking is important for achieving social, sports or personal success, or for improving the physical or mental condition;

discredit abstention from the consumption of alcohol or from drinking, contain information on the positive therapeutical properties of alcohol, tobacco and tobacco goods and represent their high content in a product as a merit;

appeal directly to minors, nor use the images of natural persons under the age of 35 and statements or participation of persons who are popular among minors and persons under the age of 21;

be used in radio and television programs from 7 a.m. till 10 p.m. local time;

be used in any form in radio and television broadcasts, in cinema and video servicing and in

printed publications for minors;

be used on the front and back pages of newspapers, nor on the front and back pages or covers of magazines;

be used in children's, educational, medical, sports or cultural organizations, nor closer than 100 metres therefrom.

The distribution of advertising of tobacco and tobacco goods in all cases must be accompanied with a warning about the harm of smoking; in addition, in radio and television programs the said warning must be given at least three seconds of the time on the air, and when using advertisements in any other manner - at least five per cent of the advertising area (space).

2. The advertising of medicines, articles of medical application or medical equipment in the absence of a permit for their manufacture and/or realization, and also the <u>advertising</u> of methods of treatment, prophylaxis, diagnostics and rehabilitation in the absence of a permit for the performance of such services issued by a federal body of executive power in the field of public health shall not be permissible, including also in cases where patents for inventions in the given field have been obtained.

The advertising of remedies issued on a doctor's prescription, and also the advertising of articles of medical application and of medical equipment, whose use requires special training, shall be permissible, taking into account the requirements stipulated by paragraph one of the present Item, only in printed publications designed for medical and pharmaceutical workers.

**3.** It shall not be permissable to advertise arms, weapons and military equipment, with the exception of the advertising of fighting and service arms, weapons and military equipment included in the <u>list</u> of the products of military application whose export and import in the Russian Federation is carried out under licenses, nor the authorized civilian arms, including those for hunting and sports.

It shall not be permissible to the advertise authorized civilian arms, weapons and military equipment included in the list of the products of military application whose export and import in the Russian Federation is carried out under licenses, if the said advertising directly or indirectly reveals the production technology and the wages of the military and special application of the arms, weapons and military equipment.

The distribution of advertising of authorized civilian arms, including those for hunting and sports, shall be permissible only in the periodical printed publications specializing in the sphere of advertising, and also in other periodical printed publications designed for the users of the authorized civilian arms, and in the places where the hunting and sports arms are applied.

The distribution of the advertising of authorized civilian arms in the electronic mass media shall be permissible only after 10 p.m. local time.

The advertising of military and service arms, and also of weapons and military equipment included in the <u>list</u> of the products of military application, whose export and import in the Russian Federation is carried out under licenses, shall be permissible only in the publications mentioned in the <u>Law</u> of the Russian Federation on Weapons, and also at specialized exhibitions and trade fairs held in the procedure established by the Government of the Russian Federation.

**Article 17.** Specificities of the Advertising of Financial, Insurance and Investment Services and of Securities

In the production, placement and distribution of advertising of financial (including banking), insurance, investment and any other services connected with the use of the monetary funds of juridical or natural persons, and of securities, it shall not be permissible:

to adduce in the advertising any quantitative information bearing no direct relation to the advertised services or securities;

to guarantee any rates of dividends on ordinary registered shares;

to advertise any securities before the registration of the prospectuses of their issues;

to give any guarantees, promises or estimates as to the future efficiency (profitability) of activity, including by means of declaring the growth of the market value of securities;

to hold back at least one term of an agreement if an advertisement is giving information about

the terms of the agreement.

Concerning the requirements to the advertisement on the securities market see <u>Federal Law</u> No. 39-FZ of April 22, 1996 on the Securities Market

On the advertising of the credit organizations of the Russian Federation and non-resident banks see Letter of the Central Bank of Russia No. 73-T of December 30, 1997

# Article 18. Social Advertising

1. Social <u>advertising</u> shall represent public and state interests and shall be aimed at achieving charitable objectives.

Social advertising must not mention commercial organizations or individual businessmen, or concrete brands (models, nomenclature articles) of their goods, nor the brands (models, nomenclature articles) of goods that produced by nonprofit organizations.

- **2.** The gratuitous activity of juridical and natural persons in the production and distribution of social advertising or in the transfer of their property, including monetary funds, to any other juridical or natural persons for the production and distribution of social advertising shall be deemed to be charitable activity and shall enjoy the statutory privileges.
- **3.** The advertising media which are mass information media organizations must carry out the placement of the social advertising submitted by the advertiser within the limits of five per cent of the broadcasting time (the basic printed area) a year used within the limits established for advertising by the legislation of the Russian Federation on advertising.

The <u>advertising media</u> which are not mass information media organizations must carry out the placement of social advertising within the limits of five per cent of the annual cost of the services rendered by them in the distribution of advertising.

The <u>advertising agencies</u> must render the services in the production of social advertising within the limits of five per cent of the annual volume of the advertising produced by them.

The conditions concerning the time of the placement and the advertising vehicles of social advertising suggested by the <u>advertiser</u> shall be obligatory for the advertising medium if the advertiser applies to the advertising medium not later than a month before the supposed time of distribution of the social advertising.

The payment of the production, placement and distribution of social advertising shall be made on the basis of an agreement.

Where there is an excess of the volume of the orders for the production, placement and distribution of social advertising over the limits, established for such advertising, of the broadcasting time, the basic printed area or the volume of production, placement and distribution, and if disputes arise, the priority of the production, placement and distribution of social advertising shall be set in the order in which the advertising agency or advertising medium receive the advertiser's offers.

**4.** Any actions on the part of the advertising agencies and advertising medium, which hinder the production, placement and distribution of social advertising within the limits established by Item 3 of the present Article shall not be permissible. If such actions are committed they shall be appealable against judicially in the established procedure.

# Article 19. Sponsorship

By sponsorship, for the purpose of the present Federal Law, there shall be understood the making by a juridical or natural person (sponsor) of a contribution (in the form of granting certain property or the results of intellectual activity, or of performing certain services or works) to the activity of another juridical or natural person ("the sponsored") on the condition that the sponsored shall spread advertisements about the sponsor or his goods.

The sponsor's contribution shall be considered as the payment for the advertising, and the sponsor and the sponsored as the advertiser and the advertising medium, respectively.

The sponsor shall not have the right to interfere in the activity of the sponsored.

### of Advertising

**1.** When producing, placing and distributing advertisements for the purpose of protecting minors from the abuses of their credulity and inexperience, it shall not be permissible:

to discredit the authority of parents and educators, or to shake the minors' confidence in them; to suggest directly to minors that they should convince their parents or others to acquire the advertised goods;

to attract the attention of minors to the fact that having certain goods gives them an advantage over other minors, and also to the fact that the absence of such goods gives the opposite effect;

to place in advertising certain textual, visual or audial information showing minors in dangerous places and situations;

to understate the necessary level of skills necessary for the use of a good by minors. Besides, in the case if the results of using the product are shown or described, the <u>advertisement</u> must give information as to what really is achievable for the minors of the age group for which the product is designed;

to create with minors an unreal (distorted) idea of the cost (price) of a good for a minor, among other things by using the words "only," "no more than", etc., and also by stating directly or indirectly that the advertised good is within the capacity of any family budget.

**2.** The textual, visual or audial use of images of minors in an advertisement bearing no direct relation to goods for minors shall not be permissible.

# Chapter III. Rights and Duties of Advertisers, Advertising Agencies and Advertising Media

Article 21. Periods of Storing the Materials Which Contain Advertising

The <u>advertiser</u>, the <u>advertising agency</u> and the <u>advertising medium</u> must store the materials or copies thereof containing advertisement, including all the subsequent amendments thereof, for one year from the day of the last distribution of an advertisement.

**Article 22.** Furnishing of Advertising Information for the Production and Placement of Advertising

- 1. The advertising agency and the advertising medium may demand and the advertiser must in such case furnish documentary confirmations that the advertising information is true.
- 2. If the activity of the advertiser is subject to licensing, then when advertising a relevant good, and also when advertising the advertiser himself, the latter must furnish, and the advertising agency and the advertising medium must demand the presentation of the relevant license or a duly certified copy thereof.

**Article 23.** Duty of the Advertising Agency to Inform the Advertiser about the Circumstances Which May Result in a Violation of the Legislation of the Russian Federation on Advertising

The advertising agency must opportunely inform the advertiser that adherence to the demands of the latter when producing the advertising may result in a violation of the legislation of the Russian Federation on advertising.

If the advertiser, in spite of an opportune and sound warning of the advertising agency, does not change his demand(s) with respect to the advertising, or does not submit at a request of the advertising agent a documentary confirmation that the information furnished for the production of the advertising is true, or does not remove any other circumstances which may make the advertising improper, then the advertising agency may in the <u>established procedure</u> cancel the agreement and claim a full compensation for the losses, unless the agreement provides for otherwise.

#### Article 24. Furnishing of Information to the Bodies of Executive Power

The advertisers, the advertising agencies and the advertising media must at the request of the federal bodies of executive power (their territorial bodies), entrusted with control over the

observance of the legislation of the Russian Federation on advertising, explanations in oral or written form, video and audio recordings, and also any other information necessary for exercising the powers stipulated by the present Federal Law.

# Article 25. Public Bid for Concluding an Agreement in Advertising

- 1. The consequences of recognizing an advertisement as an <u>invitation for making offers</u> or as a <u>public offer</u> (a public bid for concluding an agreement in advertising) shall be determined in accordance with the civil legislation of the Russian Federation.
- **2.** The <u>advertiser</u> must indicate the period of validity of both an advertisement serving as an invitation for making offers if the advertisement adduces at least one of the <u>essential conditions</u>, and of an advertisement serving as a public offer.
- **3.** If the advertiser evades the conclusion of an agreement after the receipt in the established procedure of the <u>acceptance</u> of a person to whom the public offer was addressed, the said person may apply to a court of law or an arbitration court with claims for concluding a contract and for compensating for the losses caused by an unsound refusal of the advertiser to conclude a contract.

# Chapter IV. State Control and Self-Regulation in the Field of Advertising

**Article 26.** Powers of the Federal Antimonopoly Body in the State Control in the Field of Advertising

1. The federal antimonopoly body ( or its territorial bodies) shall exercise, within the limits of its competence, State control over the observance of the legislation of the Russian Federation on advertising. The said body ( or its territorial bodies) shall:

Concerning the power of the territorial departments of the SCAP of the Russian Federation in the sphere of advertising see also <u>Order</u> of the State Committee of the Russian Federation for the Antimonopoly Policy and the Support of New Economic Structures No. 146 of November 13, 1995

prevent and suppress the facts of <u>improper advertising</u> committed by juridical and natural persons;

send to advertisers, <u>advertising agencies</u> and advertising media orders to stop violating the legislation of the Russian Federation on advertising and the decisions on carrying out <u>corrective</u> advertising:

send materials about the violations of the legislation of the Russian Federation on advertising to the bodies which have issued the license for deciding the question of suspending or annulling ahead of time the license for conducting a relevant type of activity;

send to the bodies of the procurator's office or other law-enforcement bodies, according to the jurisdiction, materials for deciding the question of initiating a criminal case on the elements of crimes in the field of advertising.

- **2.** The federal antimonopoly body ( or its territorial bodies) may bring suits to courts of law and arbitration courts, including in the interests of an indefinite circle of <u>advertising consumers</u>, in connection with the violation by advertiser, advertising agencies and <u>advertising media</u> of the legislation of the Russian Federation on advertising, and also suits for invalidating the transactions connected with improper advertising.
- **3.** When bringing suits to courts of law or arbitration courts, the federal antimonopoly body and its territorial bodies shall be exempt from the payment of the national duty.
- **4.** The federal bodies of executive power authorized in accordance with the legislation of the Russian Federation to exercise, within the limits of their competence, the functions of protecting the rights of consumers and suppressing unfair competition may conclude with <u>advertisers</u>, advertising agencies and advertising media agreements on the observance by them of the rules and customs of advertising practice.

### Article 27. Right of Access to Information

- 1. The officers of the federal antimonopoly body (its territorial bodies), for the purpose of fulfilling the functions, entrusted to the said body, of control over the observance of the legislation of the Russian Federation on advertising shall have the right of free access to all the necessary documents and other materials of the advertisers, advertising agencies and advertising media.
- **2.** Information constituting a <u>commercial secret</u> and received by the persons mentioned in <u>ltem</u> 1 of the present Article shall not be subject to disclosure.

In case of a disclosure of information constituting a commercial secret the inflicted losses shall be subject to Committee by the federal antimonopoly body (its territorial body) in the procedure established by legislation.

**3.** The persons mentioned in <u>Item 1</u> of the present Article shall be admitted to the organizations conducting an activity associated with the use of the <u>information</u> constituting a State secret in the <u>procedure</u> established by the legislation of the Russian Federation.

# Article 28. Rights of the Bodies of Self-Regulation in the Field of Advertising

**1.** The bodies of self-regulation in the field of advertising, i.e. social organizations, associations and unions of juridical persons:

shall be attracted to the participation in the elaboration of the requirements for advertising, including the drafting of laws and any other normative legal acts;

shall carry out independent expert assessment of advertising for the purpose of establishing its conformity to the requirements of the legislation of the Russian Federation on advertising and shall send the relevant recommendations to the advertisers, advertising agencies and advertising media:

shall be attracted by the federal antimonopoly body (or its territorial bodies) when the latter is exercising control over the observance of the legislation of the Russian Federation on advertising;

shall send the relevant materials to the bodies of the procurator's office and shall apply to the federal bodies of executive power in connection with a violation of the legislation of the Russian Federation on advertising.

**2.** The bodies of self-regulation in the field of advertising may in the established procedure bring suits to a court of law or an arbitration court in the interests of the <u>consumers</u>, including of an indefinite circle of consumers, in case of the violation of their rights stipulated by the legislation of the Russian Federation on advertising.

When satisfying a claim with respect to an indefinite circle of consumers, the court of law or the arbitration court shall oblige the infringer of the law to bring the judgement of the court of law or arbitration court to the attention of the said consumers through the mass information media or in any other way within the period set by the court.

# Chapter V. Corrective Advertising and the Responsibility for Improper Advertising

See <u>Procedure</u> for the Consideration of Cases Based on the Elements of Violation of the Legislation of the Russian Federation on Advertising approved by the Order of the State Antimonopoly Committee of the Russian Federation No. 147 of November 13, 1995

# Article 29. Corrective Advertising

- 1. In case of ascertaining a fact of an infringement of the legislation of the Russian Federation on advertising, the law-breaker shall be obliged to carry out <u>corrective advertising</u> within the period set by the federal antimonopoly body ( or its territorial body) which has rendered the decision on carrying out the corrective advertising. In this case the law-breaker shall bear the expenses for the corrective advertising in full.
- 2. In case a corrective advertising has not been carried out by the law-breaker within the established period, the federal antimonopoly body ( or its territorial body) which has made the decision on conducting the corrective advertising, shall have the right to make a decision on a full or partial suspension of the law-breaker's advertising until the day he has distributed of the

corrective advertising.

Besides, the body which has made the decision about a full or partial suspension of the law-breaker's advertising must promptly notify thereof all the parties to the agreements with the law-breaker for the production, placement and distribution of his advertising.

**3.** Corrective advertising shall be carried out by means of the same advertising vehicle, with the use of the same characteristics of duration, space, place and procedure as the refuted <u>improper advertising</u>. The content of the corrective advertising shall be agreed upon with the federal antimonopoly body ( or its territorial body) which has ascertained the fact of an infringement and has made the decision on the correction thereof.

In certain cases by a decision of the federal antimonopoly body (or its territorial body) which has made the decision on carrying out a corrective advertising, it shall be permitted to substitute the advertising vehicle, the characteristics of duration, space, place and procedure for carrying out corrective advertising.

**Article 30.** Responsibility of the Advertiser, the Advertising Agency and the Advertising Medium

The <u>advertiser</u> shall bear the responsibility for the violation of the legislation of the Russian Federation on advertising concerning the substance of the information furnished for the creation of <u>advertising</u>, unless it has been proven that the said violation occurred through the fault of the advertising agency or advertising medium.

The advertising agency shall bear the responsibility for the violation of the legislation of the Russian Federation on advertising concerning the design, production and preparation of advertising.

The advertising medium shall bear the responsibility for the violation of the legislation of the Russian Federation on advertising concerning the time, place and the advertising vehicles.

**Article 31.** Responsibility for the Violation of the Legislation of the Russian Federation on Advertising

1. Juridical persons or citizens (advertisers, advertising agencies or agents, and advertising media) responsible for the violation of the legislation of the Russian Federation on advertising shall bear civil legal responsibility in accordance with the legislation of the Russian Federation.

Persons whose rights and interests have been infringed upon as a result of improper advertising may apply in the established procedure to a court of law or an arbitration court with claims, including with claims for compensation of losses, including the lost profit, for compensation of damage caused to health and property, for compensation of moral harm, or for a public refutation of improper advertising.

Plaintiffs with claims for compensation of damage caused by improper advertising to health, property, honour, dignity and business reputation shall be exempt from the payment of the national duty.

**2.** Improper advertising, or a refusal of <u>corrective advertising</u>, or non-furnishment in the established time of information at the request of the federal antimonopoly body ( or its territorial body) shall entail administrative responsibility in the form of a warning or a fine at the rate of up to 200 minimum amounts of the renumeration of labour established by federal legislation.

Improper <u>advertising</u> committed repeatedly in the course of a year after the imposition of an administrative penalty for the same actions shall entail criminal responsibility in accordance with the legislation of the Russian Federation.

Knowingly false advertising committed with the purpose of obtaining a profit (an income) which has caused an essential damage to State or social interests or to the legal rights and interests of citizens shall entail criminal responsibility in accordance with the legislation of the Russian Federation.

**3.** The Federal Antimonopoly Body ( or its territorial body) may impose fines on <u>advertisers</u>, advertising agencies and advertising media for the non-fulfillment in time of the orders to stop the violations of the legislation of the Russian Federation on advertising and of the decisions on

carrying out corrective advertising, at the rate of up to 5000 minimum amounts of the renumeration of labour established by federal law.

The penalty amount paid by the advertiser, advertising agency or <u>advertising medium</u> in accordance with the present Federal Law shall be entered to the relevant budgets in the following ratio:

40 per cent - to the federal budget;

60 per cent - to the budget of the entity of the Russian Federation on whose territory there have been registered the juridical person or individual businessman as an advertiser, <u>advertising</u> <u>agency</u> (agent) or advertising medium.

The collection of a fine shall be carried out judicially if the payment of the fine has not been made voluntarily.

The payment of a fine shall not release the advertiser, advertising agency or advertising medium from the fulfillment of the order to stop the violation of the legislation of the Russian Federation on advertising or from the fulfillment of the decision on carrying out corrective advertising.

**4.** The advertiser, advertising agency or advertising medium may apply to a court of law or an arbitration court with an application for invalidating in full or in part an order or a decision of the federal antimonopoly body (its territorial body) in accordance with the legislation of the Russian Federation.

The completion of the said application shall not suspend the fulfillment of the order or decision of the federal antimonopoly body (its territorial body) if the court of law or arbitration court does not render a ruling on suspending the execution of the said acts.

On the practice of the consideration of disputes connected with the application of legislation on advertising see Informational Letter of the Presidium of the Higher Arbitration Court of the Russian Federation No. 37 of December 27, 1998

# **Chapter VI. Final Provisions**

**Article 32.** International Treaties of the Russian Federation in the Field of Advertising

If an international treaty of the Russian Federation establishes advertising rules other than those stipulated by the present Federal Law, then the rules of the international treaty shall apply.

#### Article 33. On the Putting into Effect of the Present Federal Law

- 1. The present Federal Law shall become effective as of the day of its official publication.
- **2.** The effect of <u>Item 1 of Article 16</u> of the present Federal Law with respect to the advertising of alcoholic drinks, tobacco and tobacco goods in television programs shall be abolished as from January 1, 1996, and the <u>advertising</u> of such goods in television programs from that instant shall not be permissible.
- **3.** To suggest that the President of the Russian Federation should bring in conformity with the present Federal Law the normative legal acts issued by him.
  - **4.** To entrust the Government of the Russian Federation:

to prepare proposals for bringing the legislative acts of the Russian Federation in conformity with the present Federal Law;

to bring in conformity with the present Federal Law the normative legal acts of the Government of the Russian Federation.

Concerning bringing in conformity with this Federal Law the normative legal acts see Order of the Government of the Russian Federation No. 1508-r of October 28, 1995

President of the Russian Federation Moscow, the Kremlin

Boris Yeltsin