

LAW ON ADVERTISING

SECTION I. General Provision

Article 1. Georgian legislation on advertising

The Georgian legislation on advertising comprises from the hereby law and other legal and normative acts adopted in compliance with the hereby law.

Article 2. Law objective and scope of application

1. The present law governs relations stemming out from creation, placement and dissemination of advertising products in the goods (labor, services) and financial markets (including securities).
2. The objective of the law is to develop the sound competition in the advertising market, as well as to protect public interest, ads subjective and consumer's rights.
3. One can refer to the law in the cases, when the activity conducted by the legal entity or the citizens of the Republic of Georgia outside its boundaries in the field of advertising results (may result) in negative effects (restriction of competition, conducting the business by misleading of legal and natural persons) within the territory of the Republic of Georgia.
4. The law applies to foreign legal entities, foreign citizens and foreign non-citizens – sole businessmen, who, in accordance with, the registration rules in force conduct, place and disseminate advertising on the Georgian territory.
5. The law does not apply to political advertising.
6. The law does not apply to natural person's ads that are not related to business activity.

Article 3. Basic definitions

The advertising - is a dissemination of information by any means and in any way on natural and legal person, product, idea and initiative, targeted at certain group of people and driven to create and keep an interest of natural and legal person, idea and initiative, as well as to promote sale of the product, idea, and initiative.

1. *Dishonest advertising* – is a sort of uncontrolled advertising that incorporates incorrect comparisons of the product advertised with the other natural and legal person's product, competitor's (s') name, abused phrases of respect and reputation, as well as by using the lack of experience and knowledge to mislead a consumer on advertised product, to discredit those natural and legal persons who do not use product advertising.
2. *Unreliable advertising* – is an advertising that incorporates untrue information on issuer of advertising, nature of product, place of issuance, rules, date, targeting, consumer characteristics, condition of using, certificate marks, compliance with the state standards, quantity, indicated place of certain quantity and possibility of terms of purchasing, product price at the moment of ads dissemination, additional conditions for payment, product delivery, return, repair, warranty obligations, expiry dates, application rules for national symbolic (flag, anthem, heraldic marks), official recognition (thanks, rewards, diplomas, or other decorations), results on research and examination, actual demand for product
3. *Unethical advertising* -is an advertising that breaks unilaterally recognized human and moral norms by the means of using abused words and comparisons on natural and legal persons' nationality, race, profession, social class, age group, sex, language, religion,

political or philosophical beliefs, as well as, encroaches upon art objects that are included into national and world culture heritage, misuses national symbolic (flag, anthem and heraldic marks), Georgian (or other state's) national currency, religious symbolic, natural or legal person, their activities, profession or product.

4. *Counter advertising* - is a placement of rejection on uncontrolled ads.
5. *Advertising customer* -is a natural or legal person who is a source of advertising information and makes an order for advertisement production, placement and dissemination.
6. *Ads producer* -is a natural or legal person who provides the finished advertising information for its placement and dissemination.
7. *Ads disseminator* - is natural or legal person who conducts ads placement and / or dissemination (by means of radio, TV, telecommunication channels, on air time and other means) by the way of property transfer or its use.
8. *Ads consumers* -are natural or legal persons for whom and to influence that the appropriate advertising information is provided.
9. *Ads of tobacco products* – ads, which contain the trade mark or logo of the tobacco producing company or tobacco product, or demonstration of such product or minors to use this product.
10. *Ads of alcohol* - ads, which contain the trade mark or logo of the tobacco producing company or tobacco product, or demonstration of such product or minors to use this product.
11. *Ads of strong drinks*- ads of alcohol, which contain more than 14% of spirit

SECTION II.

General and specific requirement for advertising

Article 4. General requirements for advertising

1. An advertising, at the moment of its presentation, should be understand as the advertising itself without use of means of technical and special knowledge.
2. The advertising is to be done in Georgian language in the whole territory of Georgia. In Abkhazia this may be done either in Georgian or Abkhazian language, according to the preferences. The owner of the trademark is obligate to translate the logo in Georgian.
3. Usage Georgian language in the ads is regulated by Georgian legislation.
4. It is not allowed the product advertising, production and sale of which is prohibited under Georgian legislation, as well as, advertising of goods or producer's advertisement whose activity requires a special permission (license), but which has not been granted to the latter.
5. Product advertising that is a subject to mandatory certification shall have an enclosed note – “certified”.
6. It is not allowed placement and dissemination of unjustified advertising (dishonest, unreliable, unethical, clearly fraudulent, latent); according to the case when the Georgian legislation is broken, such activity may cause punishment under civil, and in some cases, criminal law.
7. A legal or natural person, who becomes aware of misuse or abuse of his name, respect and business reputation, has the right to appeal to the court in accordance with the rules embedded in the Georgian law in force, ask for reimbursement for losses incurred and placement of counter advertising under the same rule (in case the breaker voluntarily agrees for reimbursement).

8. It is allowed to place an advertisement subject to special rights (intellectual property), if it is in compliance with the rules embedded in the legislation in force.
9. Advertising shall not evoke citizens to conduct violence, aggression and chaos, as well as, to perform dangerous activity that endangers people's health and security.
10. It is prohibited differentiation of ads prices by products types.
11. The ads disseminated from abroad in to the Georgia and violating Georgian law on ads must be prosecuted in accordance with the international agreements and Georgian legislation.

Article 5. Ads specifications in the mass media

1. In the radio, TV, video, audio and movie products that are not subject to advertising, as well as, in printed publishing materials, it is not allowed to accentuate consumer's attention to the specific type of product (brand, model), ads producer, executor, or seller without advance notification (in particular, without such notification as "under the advertising right:).
2. It is not allowed to break and place a commercial in the following TV shows and programs:
 - a) children and religious programs;
 - b) Presentation of President of Georgia, and other official presentations from Government officials.
 - c) shows that last no longer than 15 minutes on whole;
3. educational shows (no more then once in 15 minutes and no longer that for 45 seconds); shows that last less than one hour (no more than twice shown on TV)
4. During the latent advertising, including "running lines method", its size shall not be greater than that of seven percent of screen picture size.
5. To put one and the same commercial on certain goods can be done on the same broadcasting frequency within one hour of show period and no more than twice. Such commercial cannot last more than two minutes.
6. It is not allowed to place an advertising other then in specific radio and TV shows (which are registered as advertising shows) for more than 15 percent of the whole broadcasting time during twenty-four hour a day.
7. It is not allowed to place an advertising in movies and video films, except those that have break between series (parts).
8. While conducting telephone-on line informational service, the advertising can be done after the client asked for particular information.
9. The telephone, computer and other informational online service ads can be distributed only having consent from the client. Costs of such ads shall not be included in the costs related to the information requested by the client.

Article 6. Specifics of outside advertising

1. The advertising in the cities, villages and other regions can be carried out with slogans, billboards, neon ads, and other local stable technical means available under the rules set forth in Article 2 and 8 of hereby law.
2. Outside advertising shall not be similar as the road signs and indicators; shall not deteriorate visual condition of the latter and cause problems to traffic security. The ads on the buildings must not deteriorate the architect view of them and must be firmly fixed.
3. The placement and dissemination of outside advertising is allowed, if there is a written form issued by the local authorities (they are not responsible on the content of ads).

4. local authorities must have the consent with the following agencies:
 - a) appropriate automobile highway (roads) management agency and the territorial subdepartment of state highway police – while placing the ads in the highway territory or adjacent stripe to the highway that under the control of these agencies (outside residential places);
 - b) territorial subdepartment of state highway police – while putting up the ads in the residential places (cities and villages);
 - c) appropriate railway management authorities – if placing the ads in the territory controlled by this agency;
 - d) state department of protection of historical monuments or its territorial offices – if placing the ads in the territory controlled by this agency;
5. The procedure for fee payment and amount to allow placement of outside ads taking into accounts temporary time limit and etc will determined by special law.
6. Dissemination of outside ads (also on the territory of cultural monuments, preserved nature) with placing them on buildings and other objects, and also amount of fee for dissemination is determined by contract with owner (or the person who has legal right on this property), except for the cases when according to the law, or contract something else is determined. In addition it's necessary to obtain official permission according to the Article 3 of this law.
7. On the outside ads there must be shown the number of permission issued by authorities.
8. The copy of the permission issued by authorities must be sent to the State Antimonopoly Service, during the five day of it's issue.

Article 7. Characteristics of advertising in the vehicles

1. Ads on vehicles, is done according to the agreement with owner of the above-mentioned vehicle (or with persons, who have rights on the property), if otherwise is not stipulated by the law or agreement.
2. To preserve vehicle from any kind of accident, restrictions on the vehicle ads shall be determined by security supervisory body.

Article 8. Advertising of alcohol and tobacco products

1. Advertising of alcohol products, and tobacco products, despite the way of ads, should not create an image that their use is good for health and improves person's physical and psychological state leading to the success in civil life or sport field.
2. Advertising shall not discredit way of living when a person obtains to use these alcohol or tobacco products. Also, one should not include information on such product's positive sides of use.
3. It is prohibited the any way of advertising of strong drinks and tobacco products on the avenues, bridges, squares (in the territory of 20 meter from them) in the cities and villages and motor vehicles.
4. It is prohibited to advocate among teenagers for alcohol and tobacco products and to disseminate such ads in the movie and video service, radio and TV and printing editions for teenagers.
5. It is prohibited to advertise alcohol and tobacco products in children, educational and health care institutions as well, as in cultural and sport organizations, including within the outside territory of these institutions of 100 meters radius.
6. It is not allowed the actual demonstration of the process of alcohol consumption and tobacco products smoking while placing ads on these products.

7. It is prohibited to place ads on strong drinks and tobacco products in the first and last pages of the newspapers and magazines. The same restriction applies to radio and TV broadcasting.
8. Advertising of tobacco products (excluded TV and radio) must contain a visible text in large, black letter against a white background, which contains the statement: The Ministry of health warns smoking is dangerous to your health. And additionally one of the following: “Smoking causes cancer, Smoking causes premature death, Smoking causes heart disease, Smoking during pregnancy threatens the health of the fetus, involuntary smoking threatens health”, and such message must cover at least 10% of the area of the advertising.

Article 9. Advertising of medicinal preparations and health care technology products

1. It is prohibited to place ads on medications, medical purpose materials and technologies related to health care, if no permission has been granted for its production and/or sale. As well as advertising of cure, diagnosis and rehabilitation methods without having granted special permissions by the health care Ministry or other executive agencies. Also it is prohibited to advertise in the field of patent right if such authorization has not been issued.
2. It is prohibited to place ads of those medications that assure the consumer in no necessity to consult a physician, has no side effects, improves the health condition in case of use, and aggravates otherwise, as well as to promote use of the medication as food product, cosmetic or consumer means.
3. It is prohibited of advertising those medications which are not registered in Georgia and medications that are issued by the doctor’s prescription, or contains drug, psychotropic, poison or nuclear stuff.
4. The advertising of cure remedies and technology designated to health care purposes that require special way of producing, is allowed in those publications subject for use of health care and pharmaceutical personnel.
5. It is prohibited in the advertising to general public to mention the following disease:
 - tuberculosis;
 - sexually transmitted disease;
 - other serious infectious disease;
 - cancer and other tumoral disease;
 - chronic insomnia;
 - Diabetes and other metabolic illnesses.

Article 10. Weapons advertising

It is prohibited of advertising of weapons. The advertising of all kinds of service, civil and sport weaponry can be done under the special license issued by the ministry of internal affairs.

Article 11. Advertising of securities

1. The objective of advertising the securities issuance and placement is publicity. Providing and supply of bonds is done through the mission prospective.
2. The advertising on bonds shall incorporate the following information:
 - a) Name of issuance;
 - b) Underwriter’s name and address;
 - c) Identity and address of a person, responsible for ads placement;

- d) Indication on where and whom a potential investor can buy or familiarize himself with emission prospects;
 - e) License number and a name of the issuance agency.
3. It is prohibited in the advertising of securities:
- a) Advertising securities before state registration of emission prospects;
 - b) Disseminate of information other than provided in emission prospects;
 - c) Announce any guaranty, promise of forecast related to future effectiveness (benefits) of business, including the rise in value rate of securities;
 - d) Provide info on guaranteed amount of dividend in the nominal stock;
 - e) Make an attempt or desire of self-rating the own securities by the issuance.

Article 12. Social advertising

1. Social advertising represents public and state interests; aimed at achieving charitable goals and protection of population's life/health, property and environment. Appropriate state and local authorities agencies are to provide authorization for placement and dissemination of ads contingent on its nature.
2. The social advertising shall not include any information on individual businessman or commercial company, the company's logo or goods brand (model, article) including but not limited to those types of brands that were produced in non-business activity.
3. In order to produce and disseminate under the free of charge activity by natural or legal person, as well as, transfer of their own property, including the financial proceeds to other legal or natural persons for this purpose is recognized as a charitable activity and is subject to all advantages envisaged by the Georgian legislation.
4. The advertising disseminators, which are totally or partly financing from the state budget are obliged to place the social advertising free of charge within five percent of annual value of ads placement.

Article 13 Sponsorship

The sponsorship is viewed as a contribution made (under the guise of property, results of intellectual achievement, services rendered and work accomplishments) by a legal or natural person into another legal or natural person's activity under the condition to place ads by the latter related to sponsor's goods. It is prohibited the TV sponsorship by the sponsors whose products (activity) ads is prohibited by this law.

Article 14 Protection of teenagers while producing, placing and disseminating the advertising

While producing, placing and disseminating the ads for the purpose of protection of teenagers (protection from abuse in unawareness and inexperience) is prohibited:

- a) To exert pressure on teenagers for them to assure their parents or other people to buy a good advertised;
- b) to draw attention of the teenagers to the fact that to owner particular good will put them in advantageous situation compared with the other teenagers;
- c) to place such textual, audio and video info that promotes horror ideas and places;
- d) not to consider the level of necessary habits for the use of product by the teenagers in addition, if the results of product use are shown or described, the ads shall provide such kind of info which is really perceptible for the recipient age the ads is designated to;
- e) To create an unreal image on the product's price for the teenagers group, in particular, to use such kind of words as "only, just only" and etc., or to indicate

directly or indirectly that ads goods can be bought by any consumer regardless his household budget.

Section III

Responsibilities of ads customer, producer and disseminator

Article 15. Ads material keeping terms

The ads customer, producer and disseminator, are to keep the ads materials or copies of materials including all changes made later on within two month from the moment of the last day of the ads placement. In case the ads materials became disputable they are to be kept till the resolution of disputes by the appropriate agency.

Article 16. Submission of information to the executive branch agencies

The ads customer, producer and disseminator shall submit the true documentation, in a way of written report incorporating explanations and information subject to fulfillment in accordance with the rules set by the law, to the State Antimonopoly Service and its regional offices, which control the compliance of the ads law, upon the request of the letter.

Section IV

State control in the advertising field

Article 17. Rights of the State Antimonopoly Service in the field of advertising

1. The State Antimonopoly Service within the limits of its rights regulates the advertising activity on the Georgian territory and provides state control over the law on advertising in accordance with the Georgian legislation.
2. The State Antimonopoly Service in accordance with the section V of the law on competition and antimonopoly regulation carries out the preventive measures and eliminates the action related to use of inappropriate ads. The State Antimonopoly Service sends to the ads customer, producer and disseminator the junctions on fulfillment of decisions related to the break of the law on ads or placement of counter ads.
3. The State Antimonopoly Service officials have rights to fine the violator of the ads law in accordance of Georgian legislation.
4. The 30% of the fines from violators must be sent to the State Antimonopoly Service's account and will be contributed for State Antimonopoly Service staff and facilities.
5. The State Antimonopoly Service shall apply to the prosecution or other relative prosecution agency for initiating the criminal case based on the nature of the violation of the ads law.
6. The State Antimonopoly Service has the right to bring suit to the court related to cancellation of the ads agreement based on the violation of ads law, or use of inappropriate ads by the ads customer, producer and disseminator.
7. The State Antimonopoly Service in accordance the Georgian legislation, has the right to sign an agreement with the ads customer, producer and disseminator for insuring the implementation and protection of rules used in the field by the latter's.

8. The State Antimonopoly Service regulates the social ads in the limit of this law.

Article 18 Rights to receive the information

1. The officials of the State Antimonopoly Service to fulfil the controlling functions in the ads field, have the right to request any document from the ads customer, producer and disseminator in the rights from the V section of the law on competition and antimonopoly regulation.
2. It is prohibited to represents the commercial secrets by the persons mentioned in the item 1.
3. Reimbursement of losses incurred by disclosing confidential information is to be done by the State Antimonopoly Service in accordance the Georgian legislation.
4. In the organizations which activity is related to use of the confidential information, the people indicated in this article under item 1 are to be allowed to use it in accordance with the Georgian legislation.

Section V. Counter advertising and responsibilities for inappropriate ads

Article 19. Counter advertising

1. The State Antimonopoly Service is authorized to make a decision on placing the counter ads by violator of ads law if the violation was approved. Violator obligate for all costs reimbursement related to the counter ads placement otherwise the case will go through court.
2. If the violator has not placed the counter ads within a time period specified, the State Antimonopoly Service is authorized to make a decision on either partial or total suspension of violators advertising. In addition, he is to inform immediately all parties of the agreement, such as ads customer, producer and disseminator on the decision made.
3. The counter ads is to be disseminated under the same means and sequence, as well as, under the same volume and place parameters, such as the appropriate advertising. The basic ideas of the counter ads are to be agreed with the State Antimonopoly Service, which identified the breach fact and made a decision on its changes. In several cases under the decision made by State Antimonopoly Service it is allowed to change the sequence, volume and place, specifics of the counter ads dissemination.

Article 20. Responsibility of ads customer, producer and disseminator

1. The customer of the ads is responsible for violence of the law on adverting with respect to the proposed inform in the ads, if there was not proved that such violation were done by the producer or disseminator.
2. The producer incurs responsibility, if the violence the law on ads in the production and preparation part of the process.
3. The disseminator becomes liable, if the violence the ads law in the ads placement period, location and means part.

Article 21. Liability for the violation of the ads law

1. For violation of the ads law natural and legal persons (ads customer, producer and disseminator) incur the liability in accordance with the Georgian legislation.
2. For the demands of the article 6 of this law are responsible local authorities.

3. The persons, whose rights and interests are violated with result of inappropriate ads use, have the rights, under the determined rules, to sue into the court for loss reimbursement, health and property compensation.
4. Impose the liability to the ads customer, producer and disseminator it is not subject for cancellation State Antimonopoly Service's jurisdiction on counter ads.
5. The ads customer, producer and disseminator has the right to apply to the court with announcement on canceling partially or totally the decision made by the State Antimonopoly Service.
6. Submission of application to the court does not imply suspension of decision fulfillment made by the State Antimonopoly Service, if the court has not made a decision on its suspension.

Section VI Transitive and conclusive provisions

Article 22. Transitive provisions

1. It is prohibited to place ads on strong drinks and tobacco products in the first and last pages of the newspapers and magazines. The same restriction applies to radio and TV broadcasting from 6^{am} till 11^{pm} it is in force before 31 December 1999. During this period ads of tobacco does not exceed 3 minutes per one hour, and necessary must attach counter ads.(warning about dangerous of tobacco)
2. The words of item-8 article-8 “ exclude TV and radio “ are in force till 31 of December 1999.
3. The item –3 article 12 will in force after appropriate amendments in the code on taxation.
4. Ordered to the local authorities in the period of two month provide the outside ads in accordance with this law.
5. Asked to the President in the period of four-month work out the draft law on broadcasting from abroad.

Article 23. Conclusive provisions

1. This law is in force immediately after publication
2. Item 7 of article 8 of this law will in force from 1 January 2000
3. After enforcement of this law abolish the following:
 - a) Statement of the Head of Georgian Government #60 from 10 March, 1995 on “Consumers protection from inappropriate ads.”
 - b) Resolution #160 from 27, March, 1995 of the Council of the Ministers of Republic of Georgia on “Necessary activities for Consumers protection from inappropriate ads”.

President of Georgia
Eduard Shevardnadze

18 February, 1998, TBILISI