

# [GB] Regulator Reviews Cross-Promotion Rules

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Cross-promotion rules apply to all private broadcasters licensed in the UK. Cross-promotion means the promotion on one television channel of another channel or service under the same or linked ownership, for example ITV1 promoting programmes available on ITV3, or Channel 4 promoting its digital services or their availability on cable, satellite and Freeview. It is thus to be distinguished from self-promotion, which is the promotion of programmes on the same channel. The importance of cross-promotion has increased considerably with the fragmentation of channels. It is also important as it does not qualify as advertising, thus cross-promotion is used to fill gaps between the length of programmes and the amount of advertising permitted under the Television Without Frontiers Directive. It is also distinct from promotions within programmes, which are subject to the normal rules relating to commercial references in programmes.

The UK regulator, Ofcom, has reviewed the rules relating to cross-promotion. It concluded that it was appropriate in a new Code to de-regulate and to remove the rules, subject to two exceptions. The first is a requirement that all broadcasting licensees limit the subject of cross-promotions to broadcasting-related services. This was considered necessary to protect consumers from promotions that provide no benefit to their viewing experience, and to ensure the separation of programmes from advertising. The second rule is a requirement that the commercial terrestrial broadcasters (Channels 3, 4 and 5) maintain neutrality between different digital retail TV services and digital platforms. This is to ensure an appropriate competitive environment in the run-up to full digital switchover. The new code will also replace the 30% shareholding requirement applying to the different concerns involved in the cross-promotion with non-binding guidance based on 30% shareholding or voting power relationships.

This change does not apply to the BBC as its cross-promotional activities are not regulated by Ofcom. However, the regulator has indicated that the BBC should develop a code based on similar principles. The new Cross-promotion Code comes into effect on 10 July 2006.

***Ofcom, 'Review of the Cross-Promotion Rules: Statement', 9 May 2006***

<http://www.ofcom.org.uk/consult/condocs/promotion/statement/statement.pdf>

