

[BA] Approach to “Significant Value” Adopted

IRIS 2013-1:1/10

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At its session held on 13 November 2012, the Council of the Communications Regulatory Agency (CRA) adopted the Code amending the Code on Commercial Communications (Code) in order to reflect the newly taken approach to the legal understanding of a “significant value” of promoted goods and services. The Code, as now amended, considers any inclusion of goods and services in the audiovisual or radio programme as product placement, regardless of their value.

The Code has been in force since 1 January 2012. However, the application of provisions on product placement was postponed until 1 January 2013 in order to allow media service providers the necessary time to prepare for the implementation of such a major novelty in the regulatory framework (see IRIS 2012-1/9).

The Code originally considered the inclusion of goods and services that have been provided free of charge with the objective of their inclusion in an audiovisual or radio programme only as product placement if the goods and services involved are of significant value. The CRA was tasked with adopting a normative act defining the exact requirements of a significant value in the course of 2012. In line with this obligation, the CRA had collected and analysed data on actual production budgets as reported by the media service providers, as well as the approaches taken in other European countries. The analysis has shown that the best approach considering the specific situation in the audiovisual market in Bosnia and Herzegovina, in particular having in mind average production budgets, would be to deem the value of goods and services irrelevant and to consider any supply of props as product placement. In CRA’s view, only such a wide approach would guarantee the fundamental principles governing product placement such as safeguarding editorial independence, the avoidance of undue promotional effect, of undue prominence and the obligation to inform the viewers. The proposal was offered to public consultations and was not met with significant opposition.

The amended Code shall apply from 1 January 2013.

Kodeksa o komercijalnim komunikacijama

<http://www.rak.ba/eng/index.php?uid=1328108149>

Code on Commercial Communications

