

[RU] Advertising law changes to affect pay TV

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On 21 July 2014 President Putin of the Russian Federation signed into law several federal statutes that amend certain important regulations of TV advertising.

The Federal Statute “On amendments to Article 14 of the Federal Statute On Advertising” was passed by the State Duma on 4 July 2014. It prohibits commercials on encoded and/or pay television channels if these channels do not hold a terrestrial broadcasting licence or are not on the list of must-carry programmes (see IRIS 2013-6/31). The ban enters into force on 1 January 2015. The justification of the amendments was the need to stop unfair competition on the market, where the pay channels supposedly benefit from mixed funding schemes (subscription fees and commercials) while the open access channels do not have such a privilege.

The OSCE Representative on Freedom of the Media Dunja Mijatović expressed her concern about the new legislation, which “could lead to cutting off private small- and medium-scale channels from their principal source of revenue which is advertising”. Mijatović also noted that amendments would negatively affect media plurality with the coming digital switchover, when hundreds of regional broadcasters will lose their terrestrial licences and, under the amendment, there will be no economic rationale to broadcast in cable systems or even online.

The Federal Statute “On amendments to the Federal Statute “On Advertising” was also passed by the State Duma on 4 July 2014. It abolished provisions, such as para 3.1-3.3 of the same Article 14. Introduced in 2009, these norms then banned large advertising sales houses that control 35 percent or more of the television advertising on Russia's nationally broadcast TV stations. As of 1 January 2015 no specific media ownership provisions shall exist in the TV market, although general competition rules remain intact.

Finally, the Federal Statute “On amendments to Article 21 of the Federal Statute “On Advertising”, which was also passed on 4 July 2014, made an exception in the current general ban on advertising of alcohol on TV. Advertising of beer and beer products on TV was made part of the ban from 23 July 2012. As of 22 July 2014 the law allows for advertising beer and beer products to be placed during broadcasts (live or recorded) of sports events, as well as at any time on sports channels.

О внесении изменений в статью 14 Федерального закона "О рекламе"

<http://www.rg.ru/2014/07/25/statiya-dok.html>

Federal Statute of 21 July 2014 N 270-FZ "On amendments to Article 14 of the Federal Statute On Advertising, Rossiyskaya gazeta official daily, N 6438, 23 July 2014

О внесении изменений в Федеральный закон "О рекламе"

<http://www.rg.ru/2014/07/25/reklama-dok.html>

Federal Statute of 21 July 2014 N 264-FZ "On amendments to the Federal Statute "On Advertising", Rossiyskaya gazeta official daily, N 6438, 23 July 2014

О внесении изменений в статью 21 Федерального закона "О рекламе"

<http://www.rg.ru/2014/07/23/reklama-dok.html>

Federal Statute of 21 July 2014 N 270-FZ "On amendments to Article 21 of the Federal Statute "On Advertising", Rossiyskaya gazeta official daily, N 6435, 23 July 2014

Law amendments on advertising in Russia further endanger media pluralism and free flow of information, says OSCE representative, press release of 7 July 2014

<http://www.osce.org/fom/120942>

