

[RO] Modification of the Audiovisual Law concerning television advertising

IRIS 2017-7:1/28

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On 13 April 2017, the President of Romania, Klaus Iohannis, promulgated the organic Law no. 66/2017 for the repealing of Article 29¹ of the Audiovisual Law no. 504/2002, with further modifications and completions. The above-mentioned article referred to the acquisition of television advertising space. Law no. 66/2017 was published in the Official Journal of Romania no. 273/19.04.2017 (see IRIS 2016-10/24).

The law was unanimously adopted by the Senate (upper chamber of the Romanian Parliament) on 20 March 2017 and had previously been adopted by the Chamber of Deputies (lower chamber) on 15 June 2016. The main provision of the repealed article was that any acquisition of television advertising space may be made by an intermediary only in the name and on behalf of the final recipient of television advertising. According to the initiators, Article 29¹ of the Audiovisual Law had to be repealed because the effect produced by this provision was not the one expected: a significant decrease in the profits of the most important media agencies and, implicitly, a decrease in their contributions to the state budget.

The Romanian Government made some observations, but left Parliament to decide on the appropriateness of adopting this legislative initiative. The introduction of Article 29¹ in the Audiovisual Law was meant to eliminate distortions in the way prices are set on the advertising market, according to the considerations of the government. The Legislative Council issued a positive opinion, but warned that by repealing Article 29¹, a situation of legislative vacuum would be triggered, making the original law subject to a lack of predictability with regard to how contracts for advertising space would be concluded. This warning was similar to the one issued by the government.

The Legal, Discipline and Immunities Committee and the Committee on Economic Policy, Reform and Privatization of the Chamber of Deputies had issued positive opinions on the draft law. In the Senate, the Committee on Budget, Finance, Banking and Capital Market and the Committee on Regional Development, State Assets Management and Privatization issued negative opinions. On the other hand, the Senate's Committee on Culture and Mass-Media issued a positive opinion to repeal Article 29¹, and added that the Committee had received letters supporting the repeal from the International Advertising Association and the Union of Advertising Agencies in Romania, which considered that Article 29¹

had introduced unjustified commercial constraints that had affected relationships between customers, agencies and broadcasters.

Lege Nr. 504/2002 din 11 iulie 2002 Legea audiovizualului Text în vigoare începând cu data de 22 aprilie 2017

http://www.cna.ro/IMG/pdf/LEGEA_AUDIOVIZUALULUI_CU_MODIFICARILE_LA_ZI.pdf

Audiovisual Law no. 504/2002 (consolidated version)

