

## [CY] Advertising ban on public service media provider CyBC

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The Council of Ministers of the Government of Cyprus decided on 5 September 2018 to ban the Cyprus Broadcasting Corporation (CyBC), the public service media provider, from airing paid commercial advertising and engaging in telemarketing. At the same meeting, the Council of Ministers amended the relevant provision in the State budget and increased the grant to the CyBC in order to compensate for its loss of income from advertising and telemarketing.

There is no indication in the announcement about the date on which the decision will take effect or whether any relevant amendment or law will be forwarded to the House of Representatives. The announcement stated that “The Council of Ministers also approved an increase in the (Government) grant to CyBC in the 2019 budget to offset the loss of revenue from advertising and approved a draft bill, in the event it is considered appropriate”. However, the law on the Cyprus Broadcasting Corporation, L. 300A, may require extensive amendments to reflect this decision, since all EU AVMS Directive provisions relevant to advertising and telemarketing are incorporated in this law.

The decision of the Cabinet does not affect other forms of commercial communication, such as barter agreements, prizes, sponsorships and product placement or web-based advertisements.

In recent years, CyBCs’ income from advertising ranged between EUR 3.1 million (2014) down to EUR 1.8 million in 2017. In the same period, the State grant to the CyBC amounted to EUR 25 million annually, which is lower by far than sums granted in earlier years. For example, the subsidy amounted to EUR 43 million in 2010, and EUR 40 million in 2011. The economic crisis that hit Cyprus and prompted public spending cuts brought the subsidy down to the above-mentioned annual EUR 25 million.

The official announcement regarding the decision refers to discussions that preceded it, which were conducted between the executive power and the governing council of CyBC, as well as with the media regulator, the Cyprus Radio Television Authority (CRTA). In a statement, the Chairman of the CyBC agreed with the decision in principle, saying that CyBC should look into finding other forms and ways of funding, such as European projects and other activities beyond

traditional advertising.

The discussion about banning advertising from public service broadcasting emerged at least five years ago, when the Democratic Rally (DISY), the party of the President of the Republic, drafted a bill to this effect; in the intervening years, that draft bill has not been discussed in any way in the House.

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*Press release on decisions of the Council of Ministers on 05 September 2018*

