

## 2024 AVIA Regulating for Growth – Advertising Matrix for China<sup>1</sup>

	Pay TV	OCC TV	Foreshadowed changes
GENERAL			
Overview of Regulation	<ul> <li>Advertising regulations in China generally operate based on the so-called "misleading" principle, where an advertisement is considered false if it misleads the customer into perceiving the product differently from the actual nature of the product and this ultimately harms consumers. (Art. 4 of the Advertising Law)</li> <li>Advertisements must also comply with China's unfair competition rules, which prohibit advertisements that ultimately disrupt the competitive order of the market or harm the legitimate interests of competitors or customers. However, some common advertising techniques such as comparative advertising are, with certain exceptions and constraints, generally acceptable provided, however, that non-disparaging requirements are met. (Art. 13 and 31 of the Advertising Law and Art. 11 of the Anti-Unfair Competition Law)</li> <li>Regulations in respect of advertising on broadcast TV prescribe maximum advertising allotments per hour for on- and off-peak times, the minimum number of public service announcements during peak periods, and forbid ad breaks in a single episode of a TV series. (Art. 15 of the Administrative Measures for the Broadcasting of Radio and Television Advertisements and Art. 1 of the Supplementary Provisions on the</li> </ul>	<ul> <li>Advertising regulations in China generally operate based on the so-called "misleading" principle, where an advertisement is considered false if it misleads the customer into perceiving the product differently from the actual nature of the product and this ultimately harms consumers. (Art. 4 of the Advertising Law)</li> <li>Advertisements must also comply with China's unfair competition rules, which prohibit advertisements that ultimately disrupt the competitive order of the market or harm the legitimate interests of competitors or customers. However, some common advertising techniques such as comparative advertising are, with certain exceptions and constraints, generally acceptable provided, however, that non-disparaging requirements are met. (Art. 13 and 31 of the Advertising Law and Art. 11 of the Anti-Unfair Competition Law)</li> <li>Ads on the Internet must be identifiable by customers and not interfere with the normal use of the internet. "Pop-up" ads must contain a conspicuous close button. (Art. 10 of the Administrative Measures for Internet Advertising)</li> <li>The regulations in respect of broadcast TV and radio advertising apply specifically to traditional</li> </ul>	<ul> <li>As part of the government's overall effort to raise governance quality, advertising regulation is becoming increasingly detailed and more precisely targeted, especially focusing on advertising in medical cosmetology, food, dietary supplements, education and training sectors.</li> <li>Targeted advertising is expected to be under stringent supervision. For example, under the Personal Information Protection Law, commercial marketing to customers based on automatic decision-making must be accompanied by an option that is not based on the customers' personal characteristics. Similarly, where algorithmic recommendations are used for internet information services recommendation policies have been required to be disclosed since March 2022.</li> </ul>

For the purpose of the matrices, "China" or "PRC" shall mean the People's Republic of China, excluding the Special Administrative Regions of Hong Kong and Macau, and Taiwan region.

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	Administrative Measures for the Broadcasting of Radio and Television Advertisements)	forms of TV, and therefore do not technically apply to OCC TV services.  • While the Advertising Law and relevant related regulations do not expressly state that they have extraterritorial application, they are broad enough, on a literal interpretation, to extend to ads made available in China by offshore entities. However, to date, we are not aware of any published enforcement actions against offshore entities under the Advertising Law or the relevant regulations.	
Regulatory Bodies	<ul> <li>The National Radio and Television         Administration (NRTA) regulates television         (replacing the SAPPRFT in 2018). (Art. 5 of the         Administrative Measures for the Broadcasting         of Radio and Television Advertisements (or         NRTA Measures))</li> <li>The State Administration for Market Regulation         (SAMR) regulates and supervises ads (subject to         special industry regulation, where applicable).         (Art.6 of the Advertising Law)</li> </ul>	<ul> <li>Various government regulatory agencies exercise authority over OCC TV, including NRTA, the Ministry of Information and Technology (MIIT) and the Cybersecurity Administration of China (CAC).</li> <li>The SAMR regulates and supervises ads (subject to special industry regulation, where applicable).</li> </ul>	None.
Advertising per hour	<ul> <li>For commercial advertisements: 18 mins during the peak viewing period (7:00PM-9:00PM); 12 mins during all other hours. (Art.15 of the NRTA Measures)</li> <li>For public services advertisements: please refer to the "PSAs" section.</li> <li>In-programme advertising is not allowed, so ads should be broadcast before or after programmes. (Art.17 of the NRTA Measures)</li> <li>For TV programmes targeting minors, please refer to the "Children" section.</li> </ul>	There are no restrictions on advertising frequency for OCC TV services.	None.
Revenue Restrictions	No published regulations/restrictions exist.	No published regulations/restrictions exist.	None.

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Product Placement	Product placement is subject to the Advertising Law, under which an ad must be clearly recognisable as an advertisement. (Art.14 of the Advertising Law)	<ul> <li>The same principles set out in the Advertising Law for product placement apply.</li> <li>Under Administrative Measures for Internet Advertising (Internet Advertising Measures), internet ads must be distinguishable. Ad that promotes goods or services through knowledge introduction, experience sharing, consumer reviews, etc., shall include purchase methods such as shopping links. Ads must be clearly marked as "AD". (Art. 9 of Internet Advertising Measures. However, this is not specific legislation for product placement.</li> </ul>	None.
Foreign Commercials	<ul> <li>The standard spoken and written Chinese language shall be used as the basic spoken and written language. (Art. 14 of the Law of the People's Republic of China on the Standard Spoken and Written Chinese Language)</li> <li>Foreign language can be used as a supplement to Chinese if necessary but Chinese will prevail.</li> </ul>	<ul> <li>The standard spoken and written Chinese language shall be used as the basic spoken and written language. (Art. 14 of the Law of the People's Republic of China on the Standard Spoken and Written Chinese Language)</li> <li>Foreign language can be used as a supplement to Chinese if necessary but Chinese will prevail.</li> </ul>	None.
Govt Levy	No published regulations/restrictions exist.	No published regulations/restrictions exist.	None.
PSAs	<ul> <li>Minimum 3% of commercial ad time daily. (Art. 16 of the NRTA Measures)</li> <li>Between 7:00PM-9:00PM, PSAs should collectively be screened more than 4 times.</li> </ul>	<ul> <li>General obligation to publish PSAs. (Art. 3 of the Interim Measures for Promotion and Administration of Public Services Advertisements)</li> <li>Business-related websites should display PSAs every day in accordance with stipulated time and frequency requirements. Telecom operators should make use of mobile media and related businesses to display PSAs regularly. (Art. 9 of the Interim Measures for Promotion and Administration of Public Services Advertisements)</li> </ul>	None.

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		However, these regulations are understood not to be strictly enforced in practice.	
PRODUCT-SPECIFIC  Alcohol	Conditions apply. May not be screened on	May not be screened on public media that	None.
Alconor	<ul> <li>Conditions apply. May not be screened on channels that target minors under 18. (Art.40 of the Advertising Law)</li> <li>Alcohol ads are limited to no more than 12 per day, and not more than 2 between 7:00PM-9:00PM. (Art. 24 of the NRTA Measures)</li> <li>Alcohol ads shall not induce or encourage drinking, or advertise excessive drinking, show the act of drinking, contain images of driving a car, boat or plane, or express or imply that drinking can relieve stress and anxiety and in turn increase strength. (Art.23 of the Advertising Law)</li> </ul>	<ul> <li>May not be screened on public media that targets minors under 18.</li> <li>Alcohol ads shall not induce or encourage drinking, or advertise excessive drinking, show the act of drinking, contain images of driving a car, boat or plane, or express or imply that drinking can relieve stress and anxiety and in turn increase strength.</li> </ul>	Notice.
Pharmaceutical	<ul> <li>Pharmaceutical ads are subject to censorship before being released. (Art.2 of the Measures for Reviewing Advertisements on Medicine, Medical Devices, Nourishment and Formula Food for Special Medical Purpose (SAMR Measures)</li> <li>Non-prescription only (i.e., not drugs for malignant tumours, liver diseases, venereal diseases or for enhancing sexual functions); highly regulated. (Art. 9 of the NRTA Measures)</li> <li>Prohibition of comparative advertisements for drugs, medical devices, medical treatment in terms of efficacy and safety. (Art. 16 of the Advertising Law)</li> <li>Should be consistent with the drug instructions approved by the drug administration and contradictions and adverse reactions should be marked clearly. (Art.16 of the Advertising Law)</li> </ul>	<ul> <li>Pharmaceutical ads are subject to censorship before being released.</li> <li>Non-prescription only (i.e., not drugs for malignant tumours, liver diseases, venereal diseases or for enhancing sexual functions); highly regulated.</li> <li>Should be consistent with the drug instructions approved by the drug administration and contradictions and adverse reactions should be marked clearly.</li> <li>Must not assert or guarantee the efficacy or safety, state the recovery rate, or compare with other drugs.</li> <li>Medical treatment and cosmetic products cannot be screened on public media that targets minors under 18.</li> <li>Pharmaceutical ads and medical devices ads cannot use spokespersons for recommendation</li> </ul>	None.

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	<ul> <li>Must not assert or guarantee the efficacy or safety, state the recovery rate, or compare with other drugs. (Art. 16 of the Advertising Law)</li> <li>Medical treatment and cosmetic products cannot be screened on channels that target minors under 18. (Art.40 of the Advertising Law)</li> <li>Pharmaceutical ads and medical devices ads cannot use spokespersons for recommendation or endorsement. (Art. 16 of the Advertising Law)</li> </ul>	or endorsement. (Art. 16 of the Advertising Law)	
Gambling	Prohibited, except for Welfare Lottery and Sports Lottery. (Art.12 of the NRTA Measures)	Prohibited. (Art.9 of the Advertising Law)	None.
Claims	<ul> <li>Claims made in ads must be true and accurate with their sources clearly indicated.</li> <li>Generally, absolute terms in ads (such as "national-level", "highest-level", "best" and other terms with identical or similar meanings) are not allowed. (Art. 9 of the Advertising Law)</li> </ul>	<ul> <li>Claims made in ads must be true and accurate with their sources clearly indicated.</li> <li>Generally, absolute terms in ads (such as "national level", "highest level", "best" and other terms with identical or similar meanings) are not allowed. (Art. 9 of the Advertising Law)</li> </ul>	None.
Food & Beverages – general	<ul> <li>Advertisers of formula food for special medical purposes must provide food registration/filing and production certificates issued by the relevant health administration. (Art. 14 of the SAMR Measures)</li> <li>Prohibition of comparative advertisements for dietary supplements. (Articles 18 of the Advertising Law).</li> <li>Ads for "breast milk substitutes" are prohibited. (Art.20 of the Advertising Law)</li> <li>Ads for healthcare food are subject to censorship before being released. (Art. 2 of the SAMR Measures)</li> </ul>	<ul> <li>Advertisers of formula food for special medical purposes must provide food registration/filing and production certificates issued by the relevant health administration.</li> <li>Ads for "breast milk substitutes" are prohibited.</li> <li>Ads for healthcare food are subject to censorship before being released.</li> </ul>	None.
Food & Beverages – sugar levels	General rules apply. No other specific requirements.	General rules apply. No other specific requirements.	None.

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Personal hygiene/ Sanitary (including Condoms)	<ul> <li>Such ads may not be broadcast during "public dining time", that is, from 6:30AM –7:30AM, 11:30 – 12:30PM, and 6:30PM - 8:00PM. (Art.23 of the NRTA Measures)</li> </ul>	No published restrictions apply to OCC TV.	None.
Tobacco	• Prohibited. (Art.22 of the Advertising Law)	Prohibited.	None.
Children	<ul> <li>Restrictions apply: ads should not induce minors to commit bad behaviour or dangerous practices or to cultivate unsound values, and alcohol ads cannot target minors. Ads not suitable for minors may not be broadcast during primary and middle school vacation periods or time slots during which minors are the main audience or on channels or during programmes that target minors. (Art.8 &amp; Art.25 of the NRTA Measures)</li> <li>TV channels that target minors are prohibited from publishing any advertisement relating to medical treatment, medicine, nourishment, medical equipment, cosmetics, alcohol, beauty advertising and certain online games. (Art.40 of the Advertising Law)</li> <li>Any ad targeting minors under 14 years of age is prohibited from: (i) luring the minors to ask their parents to buy products or services; or (ii) including any unsafe act that might be initiated by the minors. (Art.40 of the Advertising Law)</li> <li>The advertiser may not use children under age 10 as spokespersons. (Art.38 of the Advertising Law)</li> <li>The duration of ads broadcast during TV programmes for minors shall not exceed 12 minutes per hour. (Art. 18 of Regulation on Programs for Minors)</li> </ul>	<ul> <li>OCC TV programmes that target minors are prohibited from publishing any ad relating to medical treatment, medicine, nourishment, medical equipment, cosmetics, alcohol, beauty advertising and certain online games.</li> <li>Any ad targeting minors under 14 years of age is prohibited from: (i) luring the minors to ask their parents to buy products or services; or (ii) including any unsafe act that might be initiated by the minors.</li> <li>The advertiser may not use children under age 10 as spokespersons.</li> <li>During the broadcast or temporary suspension of OCC TV programs for minors, it is prohibited to insert or display ads. Ads are allowed during the transitional periods between content segments of such programs, but the aggregate duration of ads must not exceed 30 seconds. (Article 18 of Regulation on Programs for Minors)</li> </ul>	None.
Women	No published regulations/restrictions exist.	No published regulations/restrictions exist.	None.

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Property	Ads for real estate must be true, and the area of the house must be indicated as a construction area or a floor area for real use, and must not contain a promise of appreciation or investment returns, describe the project location by travel time between the project and a specific landmark, violate price control or contain a misleading promotion of municipal services. (Art.26 of the Advertising Law and the Provisions on the Release of Real Estate Advertisements)	Ads for real estate must be true, and the area of the house must be indicated as a construction area or a floor area for real use, and must not contain a promise of appreciation or investment returns, describe the project location indicated by travel time between the project and a specific landmark, violate price control or contain a misleading promotion of municipal services.	None.
COUNTRY-SPECIFIC INFORMATION			
Useful Links	<ul> <li>Key Regulations</li> <li>Standing Committee of the NPC, "Advertising Law of the People's Republic of China (2021)" (Chinese)</li> <li>NRTA, "Administrative Measures for the Broadcasting of Radio and Television Advertisements (2011)" (Chinese)</li> <li>SAMR, "Measures for Reviewing Advertisements on Medicine, Medical Devices, Nourishment and Formula Food for Special Medical Purpose" (Chinese)</li> </ul>	<ul> <li>Key Regulations</li> <li>Standing Committee of the NPC, "Advertising Law of the People's Republic of China (2021)" (Chinese)</li> <li>SAMR, "Administrative Measures for Internet Advertising (2023)" (Chinese)</li> <li>SAMR, "Measures for Reviewing Advertisements on Medicine, Medical Devices, Nourishment and Formula Food for Special Medical Purpose" (Chinese)</li> </ul>	None.