



2024 AVIA Regulating for Growth – Advertising Matrix for Indonesia

	Pay TV	OCC TV	Foreshadowed changes
GENERAL			
<i>Overview of Regulation</i>	<p>Advertisements in pay TV are permitted subject to the following requirements:</p> <ul style="list-style-type: none"> <input type="checkbox"/> the content of an advertisement must comply with the following: <ul style="list-style-type: none"> <input type="checkbox"/> the Indonesian Advertising Code of Ethics (IACE);¹ <input type="checkbox"/> the advertisement requirements issued by the Indonesian Broadcasting Commission (<i>Komisi Penyiaran Indonesia/KPI</i>); and <input type="checkbox"/> other prevailing laws and regulations. <p>Advertisements must not be broadcast for the following purposes: (Broadcasting Law Content Requirements)</p> <ul style="list-style-type: none"> a) promotion of a particular religion, ideology, or belief of a person and/or group of persons, that would offend and/or underestimates such other religions, ideologies, persons and/or groups of persons; 	<p>Electronic advertisements, including advertisements in OCC TV are subject to:</p> <ul style="list-style-type: none"> <input type="checkbox"/> the E-Commerce Regulation²; <input type="checkbox"/> the requirements as set out in the IACE and other prevailing laws and regulations, notwithstanding that OCC TV is not considered to constitute a broadcasting service³. (See the key requirements for advertisements on OCC TV according to the IACE and E-Commerce Regulation, in the “Country-Specific Information” row below); <input type="checkbox"/> the broadcasting regulations (particularly the content-related requirements) under the E-commerce Regulation (such that the Broadcasting Law Content Requirements also apply to advertisements on OCC TV); <input type="checkbox"/> Law No. 11 of 2018 on Electronic Information and Transaction (EIT Law), which regulates restrictions on electronic information that can be displayed or otherwise distributed. Under the EIT Law, 	None

¹ Key requirements under the IACE are (among others): (i) prohibition on exposing violence and pornography; and (ii) certain prohibition for advertisement to children (e.g. must not expose violence and pornography, must not use children for advertisement of product that are inappropriate for children and must not show materials that can damage the physical and psychological aspects of children). IACE also provides procedures for advertisement of certain kind of products (e.g. cigarette and cosmetics).

² Provision of paid digital content falls within the scope of e-commerce activity under Indonesian law. Accordingly, an OCC TV operator would likely be considered an e-commerce operator (*Penyelenggara Perdagangan Melalui Sistem Elektronik*). The business of e-commerce operator is primarily regulated under the Government Regulation No. 80 of 2019 on Trading Through Electronic Systems and the Minister of Trade Regulation No. 31 of 2023 on the Provisions of Business Licensing, Advertisements, Development and Supervision of Businesses in Trading Through Electronic Systems (collectively as E-Commerce Regulation).

³ For information, Indonesian television networks, i.e., iNews and RCTI filed for a judicial review to contest the definition of “broadcasting” under the Law No. 32 of 2002 on Broadcasting (as amended by Government Regulation in Lieu of Law No. 2 of 2022 on Job Creation)) (Broadcasting Law). iNews and RCTI argued that OTT TV/ OCC TV should fall under the scope of “broadcasting” under the Broadcasting Law, and therefore subject to the Broadcasting Law provisions. However, in the beginning of 2021, the judicial review application was rejected by the Supreme Court through Decision No. 39/PUU-XVIII/2020. – Regardless of the foregoing, as required by the E-Commerce Regulation, digital advertisement (including advertisement in OCC TV) should still observe the Broadcasting Law Content Requirements.

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	<ul style="list-style-type: none"> b) promotion of liqueur or similar products, or addictive substance; c) promotion of cigarettes which describes the physical figure of cigarettes; d) any matters which are in contradiction with public morality and religious values; and e) exploitation of children under 18 years old. 	<p>any party ⁴ is prohibited from intentionally, transmitting or otherwise making available electronic information and/or electronic documents (which would cover electronic advertisements) containing:</p> <ul style="list-style-type: none"> o content that contravenes public morality (<i>kesusilaan</i>); o gambling content; or o misleading and/or fake information that causes losses to consumers in an electronic transaction. 	
<i>Regulatory Bodies</i>	<ul style="list-style-type: none"> <input type="checkbox"/> Ministry of Communication and Informatics (MOCI), now known as Ministry of Communication and Digital (<i>Kementerian Komunikasi dan Digital – Komdigi</i>)⁵ <input type="checkbox"/> Investment Coordinating Board (<i>Badan Koordinasi Penanaman Modal / BKPM</i>) <input type="checkbox"/> Indonesian Advertising Council (<i>Dewan Periklanan Indonesia / DPI</i>) <input type="checkbox"/> Indonesia’s National Consumer Protection Agency (<i>Badan Perlindungan Konsumen Nasional / BPKN</i>) <input type="checkbox"/> Sectoral regulators of the relevant products, such as: (a) Indonesia’s Foods and Drugs Supervisory Agency (<i>Badan Pengawas Obat dan Makanan / BPOM</i>); and (b) Ministry of Health (MOH) 	<ul style="list-style-type: none"> <input type="checkbox"/> Ministry of Trade (MOT) <input type="checkbox"/> MOCI, now known as Komdigi <input type="checkbox"/> BKPM <input type="checkbox"/> DPI <input type="checkbox"/> KPI <input type="checkbox"/> BPKN <input type="checkbox"/> Sectoral regulators of the relevant products, such as BPOM and MOH 	
<i>Advertising per hour</i>	Currently there is no specific requirement applicable to pay TV operator.	Currently there is no specific requirement applicable to OCC TV.	
<i>Revenue Restrictions</i>	Currently there is no specific revenue restrictions for pay TV operator. Note that foreign pay TV operators are not permitted to carry out business in Indonesia (unless by way of capital investment in an Indonesian	Currently there is no revenue restriction applicable to local OCC TV operators. Foreign OCC TV are allowed to make available its platform for digital advertisement placement by Indonesian advertisers and	

⁴ EIT Law applies on an extra-territorial basis to actions conducted outside of Indonesian that (i) have legal effect in Indonesia, or (ii) does not have legal effect in Indonesian but impairs Indonesian interest.

⁵ Previously the Ministry of Communication and Informatics prior to 21 October 2024.

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	company) nor generate any income in Indonesia.	charge certain fee as the consideration thereof – in other words, to generate revenue from the advertisement placement by Indonesian advertisers. However, if the revenue generating activities cause the OCC TV to be considered as having physical presence in Indonesia, it will be subject to certain tax and licensing requirements in Indonesia.	
<i>Product Placement</i>	<ul style="list-style-type: none"> <input type="checkbox"/> Product placement is regulated under the Indonesian Advertising Code of Ethics (IACE).⁶ All provisions under the IACE regarding content of advertisement, types of advertised product, actor/actress in advertisement and advertisement media that apply to advertisement in general also apply to product placement. Please see the “Product Specific” section below. <input type="checkbox"/> Pay TV must segregate the advertisements of competing or similar products, unless the relevant TV programme is specifically designated for advertisements of such products category. 	The same requirements which apply for pay TV also apply for OCC TV.	
<i>Foreign Commercials</i>	The materials of the advertisement must use domestic resources (please see the last paragraph of this row). Foreign advertisements broadcast during programmes transmitted from overseas shall be replaced with domestic advertisement. Such limitation is exempted for the following cases:	Currently there is no specific requirement applicable to OCC TV. That said, under the E-Commerce Regulation, ⁷ for advertisement shown through the e-commerce operator platform, the e-commerce operator shall observe the requirements under the laws and regulations (including in broadcasting sector).	

⁶ Key requirements under the IACE are (among others): (i) prohibition on exposing violence and pornography; and (ii) certain prohibition for advertisement to children (e.g. must not expose violence and pornography, must not use children for advertisement of product that are inappropriate for children and must not show materials that can damage the physical and psychological aspects of children). IACE also provides procedures for advertisement of certain kind of products (e.g. cigarette and cosmetics).

⁷ Provision of paid digital content falls within the scope of e-commerce activity under Indonesian law. Accordingly, an OCC TV operator would likely be considered an e-commerce operator (*Penyelenggara Perdagangan Melalui Sistem Elektronik*). The business of e-commerce operator is primarily regulated under the Government Regulation No. 80 of 2019 on Trading Through Electronic Systems and the Minister of Trade Regulation No. 31 of 2023 on the Provisions of Business Licensing, Advertisements, Development and Supervision of Businesses in Trading Through Electronic Systems (collectively as E-Commerce Regulation).

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	<ul style="list-style-type: none"> <input type="checkbox"/> tourism advertisements of a foreign country; <input type="checkbox"/> advertisement of property located outside Indonesia; <input type="checkbox"/> advertisement of international matches, competition, festivals, higher education, schools/studies and other activities located outside Indonesia; <input type="checkbox"/> advertisement of global brands or with brand images of certain persons where the advertisement will be the same throughout the world; or <input type="checkbox"/> advertisements with characters or flagships of a country. <p>In this regard, domestic advertisement is advertisement made using domestic resources, i.e. the actor/actress, personnel involved in the production process of the relevant advertisement and the background of such advertisement are of domestic origin.</p>		
<i>Govt Levy</i>	Income received by the pay TV operator is subject to the income tax. The payment of the advertisement placement services by a client is subject to value added tax.	Income received by the local OCC TV operator is subject to the income tax. The payment of the advertisement placement services by a client is subject to value added tax. If a foreign OCC TV operator is considered as having physical presence in Indonesia, it will also be subject to income tax.	
<i>PSAs</i>	The pay TV operator must allocate time slots in between 5:00AM and 10:00PM local time for public services advertisement at a special consideration price, or as necessary during emergency cases as determined by the government.	Currently there is no specific requirement applicable to OCC TV.	
PRODUCT-SPECIFIC			
<i>Alcohol</i>	Alcoholic beverages cannot be advertised in any media.	The same requirements which apply for pay TV also apply for OCC TV.	
<i>Pharmaceutical</i>	<input type="checkbox"/> The products may only be advertised upon obtaining: (a) Distribution Permit (<i>Izin Edar</i>); and (b) Advertisement Approval issued by BPOM.	The same requirements which apply for pay TV also apply for OCC TV.	

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	<ul style="list-style-type: none"> <input type="checkbox"/> Advertisement can only include statements / claims as approved by the BPOM. <input type="checkbox"/> Advertisements for the public through any platforms are only permissible for over-the-counter drugs. Prescription drugs can only be advertised in printed media for medical or pharmaceutical industries. <input type="checkbox"/> Advertisements shall include a spot for "FOLLOW THE INSTRUCTIONS" and any specific information about the products (if any).⁸ <input type="checkbox"/> Medical personnel cannot be an actor/actress in the advertisement. <input type="checkbox"/> Advertisements shall not: <ul style="list-style-type: none"> a) promote excessive use of such product; b) include testimony; c) include a statement of warranty on the safety or efficacy of the products; or d) include information and/or give impressions that the consumption of such medicine would boost energy, health, vitality, intelligence or any similar claims. 		
<i>Gambling</i>	Gambling cannot be advertised whether explicitly or implicitly in any media.	The same requirements which apply for pay TV also apply for OCC TV.	
<i>Claims</i>	<ul style="list-style-type: none"> <input type="checkbox"/> Advertisements must not contain any superlative word (e.g. "the most", "No. 1", or any equivalent word), without any attributable evidence (e.g. research). <input type="checkbox"/> Products advertised as "halal" can only be advertised if a Halal Certificate has been issued in respect of it. <input type="checkbox"/> Words such as "100% natural", "original" or any equivalent word that intends to 	The same requirements which apply for pay TV also apply for OCC TV.	

⁸ For example, drugs containing antihistamine shall include a spot for "MAY CAUSE DROWSINESS" label.

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	<p>explain composition, concentration or quality of product cannot be used unless there is attributable substantiating information.</p> <ul style="list-style-type: none"> <input type="checkbox"/> Advertisement must not contain the word “free” if there is any fee that needs to be paid by the consumer. 		
<i>Food & Beverages – general</i>	<ul style="list-style-type: none"> <input type="checkbox"/> Publisher / media provider must display identity of the advertiser. <input type="checkbox"/> Advertisement shall not display children under five years old, unless such food or beverages is targeted to those children under five years old. <input type="checkbox"/> Publisher / media provider will be liable for misleading advertisement, unless they have checked the accuracy of such advertisement. <input type="checkbox"/> Advertisements must not give the impression that a food or beverage is medicine. <input type="checkbox"/> Natural ingredients in food or beverages can only be included in an advertisement if it meets the minimum threshold set out by MOH.⁹ <input type="checkbox"/> For similar or substitutable products (e.g. soy milk and cow milk), advertisement must clearly identify the source of product (e.g. it cannot be advertised only as “milk”). <input type="checkbox"/> Processed foods or beverages shall not be advertised as if it is made from fresh ingredients. <input type="checkbox"/> Food and beverages can only be advertised as a “source of protein” if 20% of its calorie is sourced from protein and/or if the reasonable amount of 	The same requirements which apply for pay TV also apply for OCC TV.	

⁹ For example, apple juice product can only be advertised as containing natural ingredients if the concentration of such natural ingredient is at least 10%.

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	<p>protein consumption per day is not less than 10 grams.</p> <ul style="list-style-type: none"> <input type="checkbox"/> Advertisement can only include statements / claims as approved by the BPOM. <input type="checkbox"/> Advertisement of processed food can only include claims that it may lower the risks of certain disease upon obtaining approval from MOH. <input type="checkbox"/> Fast-food advertisement cannot give or create an impression that such food is safe to be consumed daily. <input type="checkbox"/> Food and beverages advertisement must not display overabundant amount of food and beverages. 		
<i>Food & Beverages – sugar levels</i>	<ul style="list-style-type: none"> <input type="checkbox"/> No specific requirement to show grading of sugar level on the product. <input type="checkbox"/> Advertisements of special foods for diabetics are not permitted to state that “the food does not contain sugar” if it contains carbohydrates. 	The same requirements which apply for pay TV also apply for OCC TV.	
<i>Personal hygiene/ Sanitary (including condoms)</i>	<ul style="list-style-type: none"> <input type="checkbox"/> The products can be advertised after obtaining the Distribution Permit (<i>Izin Edar</i>) and Advertisement Approval issued by MOH. <input type="checkbox"/> Advertisements shall not promote excessive use of such product, include testimony, or misuse result of medical research. <input type="checkbox"/> Advertisements for contraceptive devices (e.g. condom) and sexual assistance devices or other products for adult: (a) can only be broadcast between 9:30PM to 5:00AM local time; (b) shall not contain justification for ‘free-sex’ behaviour; and (c) shall include a spot for “FOLLOW THE INSTRUCTIONS” label. 	The same requirements which apply for pay TV also apply for OCC TV.	
<i>Tobacco</i>	<ul style="list-style-type: none"> <input type="checkbox"/> Cigarette and tobacco product (including electronic cigarette) advertisements shall: 	<ul style="list-style-type: none"> <input type="checkbox"/> The same requirements which apply for pay TV also apply for OCC TV. 	

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	<ul style="list-style-type: none"> a) not showcase that the relevant brand is a cigarette/tobacco product; b) not show the physical figure of the cigarette, its package, and/or visualise anyone who is smoking; c) not provoke or suggest the public to smoke; d) not be targeted to children, teenagers or pregnant women, nor display (in any form) children, teenagers or pregnant women; e) not use cartoon or animation as characters in the advertisement; f) neither suggest that smoking is not harmful for health nor that consuming tobacco products and electronic cigarettes is beneficial to health; g) include a statement or information on the danger of smoking; h) contain health warnings that meet the following specifications: <ul style="list-style-type: none"> – if the advertisement is in the form of moving images, the health warning must be displayed in full screen for at least 10% of the duration of the advertisement (or, if longer, two seconds); – for other advertisements, the health warning must occupy at least 15% of the space of the advertisement; i) contain a warning “Not to be sold and given to any person under 21 years old or pregnant women”; and j) not contradict prevailing societal norms. 	<ul style="list-style-type: none"> <input type="checkbox"/> Access to advertisements of tobacco products (including electronic cigarettes) on commercial websites or other electronic formats (e.g. OCC TV) must be limited only to users aged 21 and above. 	

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	<input type="checkbox"/> Advertisements for cigarette and tobacco products can only be broadcast between 10:00PM to 5:00AM local time.		
<i>Children</i>	Advertisements targeted at children must not: (a) display child actors, unless accompanied by an adult, and (b) display contents that may endanger the mental health of children, or exploit the unsuspecting nature of children.	The same requirements which apply for pay TV also apply for OCC TV.	
<i>Women</i>	Advertisements must not harass, exploit or objectify women.	The same requirements which apply for pay TV also apply for OCC TV.	
<i>Property</i>	<input type="checkbox"/> The property may only be advertised if the advertiser (e.g. property developer) has obtained legal title over such property and the necessary licences. <input type="checkbox"/> Information on the facilities, material or expected completion date of the property must be accountable.	The same requirements which apply for pay TV also apply for OCC TV.	
COUNTRY-SPECIFIC INFORMATION	-	<input type="checkbox"/> Under the current regulatory regime, notwithstanding that the characteristic of its activities is substantially the same as broadcasting, the OCC TV service is considered as an e-commerce service which is primarily regulated under the E-Commerce Regulation. This business is mainly supervised by the MOT. <input type="checkbox"/> According to the E-Commerce Regulation, local and foreign e-commerce operators are allowed to broadcast digital advertisements provided that they observe the advertisement requirements provided under the broadcasting regulations ¹⁰ (including the requirements issued by KPI and DPI) as well as other relevant prevailing laws and regulations.	

¹⁰ In principle, the Broadcasting Law only applies to “conventional” broadcasting using radio frequency (e.g. television and radio) and for now would not extend to “broadcasting” digitally (i.e. through internet). However, given OCC TV provides paid digital content and therefore would likely be considered a PPMSE (as mentioned in footnote 2 above) which is regulated under the E-Commerce Regulation, it requires an OCC TV to observe the provisions on advertising regulated under the broadcasting regulations. Accordingly, in our view, the key principles on advertisements under the Broadcasting Law are equally relevant, although there remain issues as to how these requirements under the Broadcasting Law would be enforced in the context of digital media providers (including OCC TV).

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		<ul style="list-style-type: none"> □ Key requirements for digital advertisements under the IACE and E-Commerce Regulation: <ul style="list-style-type: none"> a) advertisement through e-commerce platform: <ul style="list-style-type: none"> – must not deceive customers regarding the quality, quantity, materials, use and price of goods and/or service rates, as well as the timeliness of receipt of such goods and/or services; – must not falsify the guarantees or warranties of the goods and/or services; – must not contain false, wrong, or inaccurate information on the goods and/or services; – must contain information on the risks of using the goods and/or services; – must not exploit events and/or people without the permission of the authorities or the consent of the person concerned; and – must include an ‘exit’ / ‘close’ / ‘skip’ button that is visible and accessible by the users. b) digital advertisements: <ul style="list-style-type: none"> – cannot be broadcast repeatedly and continuously more than two times; – must not interrupt the interaction of users and the relevant platform; – must be free from any threat, such as virus, spyware, malware, bugs, phishing and/or harmful script; and c) any collection of users’ data through cookies or registration must be 	

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		notified to the users. For cookies relating to personal data, the relevant user's consent must be obtained.	
Useful Links		<p>E-Commerce Regulation (in Indonesian language)</p> <ul style="list-style-type: none"> - GR 80/2019 (in Indonesian language) - MOT Regulation 31/2023 (in Indonesian language) <p>Law No. 11/2018 and its amendments (in Indonesian language)</p> <ul style="list-style-type: none"> - Law No. 11/2018 (in Indonesian language) - Law No. 19/2016 (in Indonesian language) - Law No. 1/2024 (in Indonesian language) <p>Broadcasting Law and its amendments (in Indonesian language)</p> <ul style="list-style-type: none"> - Law No. 32/2022 (in Indonesian language) - Job Creation Law (in Indonesian language) 	