

# ROMANIA



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| <b>1. Topic:</b>      | Political Advertising   |
| <b>When:</b>          | June 2004   |
| <b>What Happened:</b> | <p>After monitoring the electoral campaign for the local elections of June 2004, the National Audiovisual Council ("NAC") requested radiobroadcasters to stop broadcasting the ruling party's spot announcements regarding Andrei Chiliman, the candidate of an electoral alliance of the opposition in the local elections.</p> <p>The respective spot announcements were prohibited because they failed to include the appeal to vote for a candidate or a list of candidates, as required by Law No. 67/2004 for the election of local public administration authorities (the "Law"). Also, certain allegations having moral or criminal implications were not supported by evidence, in accordance with legal provisions.</p>   |
| <b>Comments:</b>      | <p>According to the Law, during an electoral campaign, the information regarding the electoral system, the voting technique, the calendar of the electoral campaign, the political programs, and the opinions and messages with electoral content shall be exclusively presented during the following types of shows:</p> <ul style="list-style-type: none"><li>- news reports, during which information regarding the electoral system, the voting technique and the campaign activities carried out by the candidates may be broadcast;</li><li>- electoral shows, during which the candidates may present their political programs and electoral campaign activities;</li><li>- electoral debates, during which the candidates, journalists, analysts and other guests discuss the electoral programs and matters of public interest.</li></ul> <p>Spot announcements are spots which last 20 to 30 seconds and urge the electorate to vote for a candidate or for a list of candidates. Such spots may only be broadcast during the abovementioned shows.</p> <p>During electoral shows, the candidates shall have the following obligations:</p> <ul style="list-style-type: none"><li>- not to endanger the constitutional order, the public order, the safety of persons and assets;</li><li>- not to make allegations which may prejudice human dignity or public ethics;</li><li>- to support by evidence any potential accusations having criminal or moral implications, made against another candidate;</li></ul> |

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|  | <p>- not to incite to hatred or discrimination on grounds of race, religion, nationality, sex, sexual orientation or ethnic origin.</p> <p>Based on the Law, the NAC requested that any electoral spot announcements in which ungrounded accusations having criminal or moral implications are made against the opponents be no longer broadcast. Through such decision, the NAC practically prohibits negative political advertising.</p> |
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| <b>2. Topic:</b>      | Concealed Advertising   |
| <b>When:</b>          | July 2004   |
| <b>What Happened:</b> | <p>On July 3<sup>rd</sup>, 2004, before the “Casa de piatra” show, Antena 1 TV station broadcast an advertising spot containing the names of certain producers of construction materials without displaying the appropriate mark for isolated spots, <i>i.e.</i> the capital letter “P”. The same advertising spot was also broadcast at the end of the “Casa de piatra” show, in breach of the legal provisions regarding isolated advertising spots.</p> <p>During the same show, concealed advertising was made for certain types of mortar, <i>i.e.</i> “Venetia”, “San Remo”, and “Tiroleze”, by presenting their characteristics, properties and quality.</p> <p>The same show featured a presentation of the “Torremolinos” holiday resort lying on “Costa del Sol”, including the accommodation offer and the services provided by such resort.</p> <p>During the “Gigabit” show, on Antena 1, the following items were presented: a P533 digital camera on which the “Genius” inscription could be distinguished, the Delta Force new game generation produced by “Nova Logic”, and other types of games accompanied by a description of their characteristics: violent content, use of arms, destruction of targets by means of bombs and missiles, martial art fights and use of an extensive military arsenal.</p> <p>During the “Vreau si eu” show, also broadcast by the same station, memory cards bearing the discernible inscription “Magicdate”, and MP3 players bearing the inscription “iPod” were presented.</p> |
| <b>Comments:</b>      | <p>Audiovisual Law No. 504/2002, Art. 27, para. 4, provides that “concealed advertising and teleshopping are forbidden”.</p> <p>Antena 1 breached the provisions of such article by broadcasting concealed advertising during three shows, <i>i.e.</i> “Casa de piatra”, “Gigabit” and “Vreau si eu”, broadcast on July 3<sup>rd</sup>, 2004. Under such circumstances, the broadcaster holding the license for Antena 1 was punished by a ROL 50,000,000 fine.</p> <p>Prior to the application of such punishment, three public summons were served on Antena 1 for the breach of the abovementioned legal provisions regarding the advertising broadcasting regime.</p>   |

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| <b>3. Legislation</b> |  |
| <b>Topic:</b>         | Decision No. 254/2004 regarding advertising, sponsorship and teleshopping (the “Decision”), issued by the National Audiovisual Council (“NAC”) |
| <b>When:</b>          | July 2004  |
| <b>What Happened:</b> | The Decision adopted by NAC regulates the short advertising spots broadcast  |

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|                  | <p>during football games, the advertising for the products offered as prizes in contests, and the advertising through telephone systems. As a novelty, the Decision prohibits the broadcasting of sport shows sponsored by producers of distilled alcoholic beverages. Advertising and teleshopping for distilled alcoholic beverages, which use settings, characters or situations from audiovisual shows, are also forbidden.</p> <p>The Decision regulates the sponsorship and placement of products or services in audiovisual programs. For example, products may only be placed in TV films or series, and should be included therein in a natural manner.</p>  |
| <b>Comments:</b> | <p>The reasons for the adoption of the Decision harmonized with the European Union regulations, in replacement of former Decision No. 123/2003 regarding advertising and teleshopping, include the necessity to observe free competition principles, to protect the consumers' life, health, security and economic interests, the environment, and to subject advertising for medicine products to strict requirements and effective control.</p> <p>The latest statistics issued by public and private institutions show an increase in alcohol consumption by minors, and in advertising for distilled alcoholic beverages. Since alcohol consumption has harmful effects on society, in general, and on minors, in particular, being a matter of public interest, it was deemed necessary to regulate more strictly all the forms of alcoholic beverages promotion. For instance, the advertising for alcoholic beverages is not allowed if it targets minors, if it is made in publications primarily addressed to minors, in theatre halls, during and after the shows for minors, or if it features minors who consume such products.</p> |

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| <b>4. Topic:</b>      | Advertising for Distilled Alcoholic Beverages  |
| <b>When:</b>          | August 2004  |
| <b>What Happened:</b> | <p>The advertising spot for the "Unirea" brandy presents a group of persons at their workplace, one of whom suffers an accident by electrocution while digging a ditch. In the next sequence, the same persons, who are the colleagues of the injured person, are shown entering a hospital ward and consuming "Unirea" brandy after the nurse leaves the ward.</p> <p>The National Audiovisual Council ("NAC") decided to request TV stations to stop broadcasting the advertising spots for the "Unirea" brandy. The agency which created the spot immediately requested a meeting with the NAC to be given the opportunity to justify themselves.</p> <p>The NAC claimed that the consumption of alcohol at the workplace is an antisocial act. The advertising agency presented the spot frame-by-frame and proved that none of the frames showing the workers features any bottle or glass of alcohol from which alcoholic beverages are consumed.</p> <p>The NAC also argued that the consumption of alcohol in hospitals is construed as a minor offence, according to law, and that the spot at issue promotes an antisocial deed, <i>i.e.</i> the breach of law through the consumption of alcohol in hospitals. The advertising agency counter argued that the protagonists of such spot are aware that they are not allowed to do what they are doing. For this reason, they act in a furtive manner and take out the hidden bottle of "Unirea" brandy only after the nurse exits the room.</p> |

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|                  | <p>The NAC requested the standpoint of the Romanian Advertising Council (RAC) and Romanian Physicians' College in this matter. In a letter sent to the NAC, the RAC maintained that the TV spot for the "Unirea" brandy does not breach the Code of Advertising Practice drafted by the RAC, and recommended that the broadcasting of such spot be resumed.</p> <p>In a letter sent to the NAC, the Executive Office of the Physicians' College stated that it does not appreciate either the content or the creation modality of the spot for the "Unirea" brandy, and requested that such spot be no longer broadcast.</p>  |
| <b>Comments:</b> | <p>The request to stop broadcasting the advertising spot for the "Unirea" brandy, addressed by the NAC to TV stations, was grounded on the breach of two legal provisions. According to Audiovisual Law No. 504/2002, Art. 29, advertising shall not encourage any conduct which is detrimental to the population's health or safety. Also, according to Decision No. 254/2004 regarding advertising, sponsoring and teleshopping, Art. 24, the advertising for alcoholic beverages which promotes violent, aggressive or antisocial conducts or attitudes is forbidden.</p> <p>Although the NAC first requested that the spot for the "Unirea" brandy be no longer broadcast, following the intervention of the agency which created the spot, and the exchange of letters with the RAC and the Romanian Physicians' College, it eventually decided that the broadcasting of such spot be resumed. The representative of the agency declared that the producer and the advertising agency would have suffered the greatest loss if the spot had been permanently forbidden. Furthermore, according to the same representative, the client might have refused to pay the agency for such spot and campaign, which would have entailed the agency's withdrawal from the market, considering the high amounts at stake.</p> |

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| <b>5. Self-Regulation</b> |  |
| <b>Topic:</b>             | Code of Advertising Practice   |
| <b>Who:</b>               | Romanian Advertising Council ("RAC")   |
| <b>When:</b>              | 2003-2004  |
| <b>What Happened:</b>     | <p>RAC, the Romanian self-regulatory advertising body, adopted the Code of Advertising Practice (the "Code"), in order to establish advertising rules of conduct to supplement the Romanian legislation in this field. Such rules are in compliance with the advertising practice principles acknowledged at an international level and laid down by the International Chamber of Commerce.</p> <p>The Code establishes special rules regarding advertising in various sale systems (for example, sale on credit, unsolicited distribution of goods, promotional sales), for various categories of products, among which cosmetics, diet products, financial and real estate transactions, training courses, organized holiday packages, and rules regarding social advertising, <i>i.e.</i> messages directly or indirectly requesting a contribution for humanitarian purposes. Many of such regulations are not found in the national legislation regarding advertising.</p> <p>The Code also establishes a system for settling the notifications regarding the incompatibility of certain advertising spots with the legislation and/or the provisions of the Code. Thus, the RAC receives complaints regarding the commercials broadcast in Romania, which it settles by issuing arbitral awards binding on RAC members. Consequently, if RAC decides that a commercial fails</p> |

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|                  | <p>to comply with the relevant rules, the RAC member that promoted the respective commercial has the obligation to withdraw it from the market.</p> <p>RAC is a member of the European Alliance for Advertising Standards from January 24, 2004.</p>   |
| <b>Comments:</b> | <p>RAC signed a collaboration protocol with the National Audiovisual Council ("NAC"), the regulatory authority in the field of audiovisual advertising. Through such protocol, NAC acknowledged RAC as the only self-regulatory advertising body in Romania, and the Code drafted by RAC as the document for self-regulation of advertising in Romania. Also, through such protocol, NAC agreed to inform RAC and request its standpoint with respect to the notifications regarding advertising received by it.</p> |