

LAW OF THE REPUBLIC OF ARMENIA ON ADVERTISING

Adopted by the National Assembly on April 1996
Adopted by the National Assembly on June 26, 2002
In force since August 12, 2002

CHAPTER 1

GENERAL PROVISIONS

Article 1. Scope and Objectives of the Law

1. The present Law defines legal grounds for advertisement creation and spreading in the Republic of Armenia and follows the objectives as listed below:

a) To ensure necessary conditions for advertisement creation and spreading in the interest of the society, advertisement consumers, producers, bearers and advertisers;

b) To prevent the spreading of wrong information through advertising which may cause prejudice to legal and natural persons, their honor, dignity, business reputation and citizens' interests.

c) To prevent the misleading of legal and natural persons through advertising, with regard to quality, nature, method and place of production, consumption features, sale conditions and other properties of goods, works and services, as well as to the rights of advertisers.

d) To prevent the spreading of such advertisement which comprise irrelevant comparisons with other goods, as well as with legal and natural persons' rights and positions;

e) To prevent the spreading of such advertisement which cause encroachment upon public values and general ethical norms.

2. The present Law shall be applicable in the entire territory of the Republic of Armenia, notwithstanding the citizenship and residence of participants in established relations.

3. The present Law shall also apply to such legal and natural persons that have contributed to restriction of competition, mislead of legal and natural persons in the Republic of Armenia or have caused other negative consequences in the commodity market of the Republic of Armenia as a result of their actions taken outside the territory of the Republic of Armenia.

4. The present Law does not regulate relations in respect to political advertising.

5. The present Law does not apply to natural persons' announcements not relating to carrying out of entrepreneurial activity.

Article 2. Principal Concepts Used in the Law

The principal concepts used in the present Law are as follows:

ADVERTISING – Dissemination of information among indefinite number of people, regarding legal and natural persons, goods, ideas and undertakings, using different kinds of information media, with an aim to arouse or maintain interest towards the said person, good or undertaking.

UNFAITHFUL ADVERTISEMENT – An advertisement which has been ordered, produced or spread by passing over prohibitions and restrictions specified by the present Law.

PREMEDITATED FALSE ADVERTISING – A form of unfaithful advertising applied by advertisers, producers or bearers for premeditated mislead of advertisement consumers.

ANTI-ADVERTISING – A form of advertising aimed at elimination of consumers’ wrong notion created in the result unfaithful advertising, by means of rejection of the unfaithful advertisement and re-establishment of truthful facts.

ADVERTISER – A legal or natural person that presents advertising information with the purpose of advertisement production, placing and spreading.

ADVERTISEMENT PRODUCER - A legal or natural person that renders direct services in the sphere of advertisement production and in the course of its activities is governed by the Law of the Republic of Armenia “On Enterprises and Entrepreneurial Activities”.

ADVERTISEMENT BEARER - A legal or natural person that, having provided corresponding means, places and spreads advertisement.

ADVERTISEMENT CONSUMER - A legal or natural person that bears the relevant impact of advertising.

Article 3. The Legislation on Advertising

The Legislation on Advertising of the Republic of Armenia involves the present Law, other legal acts of the Republic of Armenia and corresponding international and interstate agreements signed by the latter.

If the international agreement certified by the Republic of Armenia establishes other standards different from those envisaged by the present Law, the standards provided by the international agreement shall apply.

Article 4. Copyright of Advertisement

An advertisement may partially or fully be an object of copyright which is protected by the legislation of the Republic of Armenia.

CHAPTER 2

GENERAL AND SPECIAL REQUIREMENTS TO ADVERTISING

Article 5. General Requirements to Advertising

The advertising must be legal, faithful and appropriate.

The advertising language in the Republic of Armenia is Armenian.

The statement of advertising, in case of need and at the advertiser’s discretion, may be accompanied with a statement in other languages which shall be a supplement and shall have comparatively small letters.

The present provision shall not apply to newspapers, special publications, trademarks and models being published in other languages.

Volume of information in Armenian statement of advertisement shall not be less than that of the version publicized in another language.

Article 6. Lawfulness of Advertising

The advertising is deemed illegal and is prohibited if it is carried out by using:

- a) citizens' trust, lack of experience or knowledge;
- b) the way of discrediting those consumers who do not use promoted goods;
- c) prejudices and superstitions;
- d) expressions discrediting individual or a group of competitors, as well as features of manufactured and sold goods, or irrelevant comparisons with other legal or natural persons or goods;
- e) information not complying with actual demand for a certain good;
- f) appeals, urging citizens to violence, aggressiveness, panic, as well as breach of general ethical norms;
- g) appeals and arguments against the environment;
- h) appeals and arguments, urging to actions which threaten the consumers' lives, health or safety;
- i) designs, texts, advertising formulas, pictures, musical and sound effects and other means in order to mislead the consumers.

Article 7. Untruthfulness of Advertising

It is forbidden to effect untruthful advertising, concerning:

- a) features, nature, composition, production time, designation, consumption features, implementation conditions, conformity to standards, quantity, country of origin of goods;
- b) cost and price of the good at the time of advertisement publicizing;
- c) additional conditions for payment;
- d) delivery, exchange, return, repair, maintenance and operation of the good;
- e) guarantee obligations;
- f) producer's copyright and property right, particularly licenses, model forms, etc.;
- g) the right to use trademark (service mark);
- h) official recognition, diplomas, medals, prizes and other rewards;
- i) presentation of information on means of acquisition of full series, if the good is a part of the series;
- j) research and test results, extracts from technical and scientific publications;
- k) statistical data not corresponding to real facts;
- l) correct use of scientific terms;

- m) reference to recommendations and approvals by legal and natural persons, as well as use of short-term or expired recommendations or approvals;
- n) comparisons with other goods, rights and position of other legal and natural persons.

Article 8. Acceptability of Advertising

It is forbidden to effect non-appropriate advertising, i.e. an advertising which:

- a) brings discredit on general ethical norms and national standards;
- b) comprises offensive expressions, comparisons and pictures relating to race, nationality or social origin, age group or sex, language, religious or other convictions;
- c) directly or indirectly brings disrepute upon or displays disrespectful treatment towards state emblems (the State Emblem, flag, hymn, currency note, etc.);
- d) compromises legal and natural persons, as well as production, commercial or other activities, professions, types of goods, etc.

Article 9. Advertising by Electronic Mass Media

1. More than one commercial (advertising) break during radio transmission with duration of 10 minutes or television transmission with duration of 20 minutes is forbidden.
2. It is forbidden to broadcast advertising with a frequency of more than once in 20 minutes during a radio or television transmission and with a duration of 10 minutes during one broadcasting hour.
3. Commercial (advertising) break is prohibited during official information release.
4. Frequency of special advertising programs by electronic information media is not restricted, however duration of each separate transmission during one broadcasting hour shall not be more than 5 minutes.
5. Provisions of the present Article shall not be applicable if radio and television transmissions have an exclusively advertising character, or the advertising is being broadcast on a commercial channel.

Article 10. Advertising in Print Mass Media

1. Volume and subjects of advertisement in print mass media shall be determined in the order envisaged by their Bylaws.

The print mass media which are distributed by means of subscription, shall be liable to inform their subscribers about maximum volumes of advertisement placed in one issue and their possible modifications (without additional space designated for advertising).

2. The print mass media shall publicize charges for unit space designated for advertising (in consideration of position, urgency and other data) and all their changes at least 20 days prior to application.
3. Calculation of space designated for advertising shall be made in units of metric measurement system or print symbols.
4. Provisions of the present Article shall not be applicable if the print mass medium has an exclusively advertising character.

Article 11. Outdoor Advertising

Outdoor advertisements are placed in populated areas in the form of bills, posters, announcements, billboards, electric signs and other technical means.

Volume, quantity and order of placing of outdoor advertisements shall be determined by the local self-managerial body.

If the advertisement is placed in an area which is under the authority or is owned by the local self-managerial body, the order and amount of charges to be paid for placing shall be defined, as well as control over the placing shall be effecting by the local self-managerial bodies. The charges shall be entered into the state budget.

Placing of advertisements in museums, historical and architectural monuments, as well as in areas and buildings of state authorities and local self-managerial authorities is prohibited.

Article 12. Advertising in Transport

Advertisements may be placed in transport means with the consent of their owners.

For the purpose of ensuring safe traffic, the Government of the Republic of Armenia introduces restrictions towards placing of certain advertisements in the transport means.

Article 13. Social Advertising

1. The advertisement bearer shall be liable to provide in priority order no less than 5 per cent of annual broadcasting time (printing space) designated for advertising, to social advertising of commercial character that represents national interests in terms of the population's health, environmental and social protection.
2. Orders of placing social advertisement shall be submitted by the ministries, boards, regional managerial and local self-managerial bodies, as well as non-state organizations of the Republic of Armenia.
3. Costs of social advertising production and placing shall be made at the advertiser's expense.

Article 14. Defense of the Under-aged during Advertisement Production, Placing and Spreading

1. It is forbidden to effect such advertising which:
 - a) uses the credulity and inexperience of the under-aged;
 - b) includes audio and video fragments that may cause moral or physical harm to the under-aged;
 - c) distorts parents' and teachers' reputation and confidence of the under-aged in them.
2. Advertising of alcoholic drinks and tobacco **is forbidden**: by radio and TV programs for children and youth, in printed publications concerning the under-aged, as well as in children's, educational, medical, cultural, sport organizations and institutions and their areas **in historical and cultural landmarks**,

in recreation and leisure centers designed for person under the age of 18, in the territories where food is offered to public.

3. Use of appearances of the under-aged in audio or video manner or otherwise is forbidden in advertising, if the latter does not refer to goods envisaged for children's consumption.

Article 15. Peculiarities of Advertising for Certain Kinds of Goods

1. In advertisements of alcoholic drinks and tobacco it is forbidden:
 - a) to suggest that alcoholic drinks and tobacco have curing, stimulating, relaxing features;
 - b) to induce the consumers to widely use alcohol and tobacco, negatively assess their non-use or moderate use;
 - c) to present as a positive feature the high content of alcohol in drinks and of nicotine in tobacco.
 - d) to suggest that smoking or use of alcoholic beverages is essential for obtaining good-looking appearance, achieving of social success or gaining an attraction.
 - e) to shoot and picture people under the age of 25.
2. Tobacco advertising not including warning statement about harmfulness of smoking is forbidden.
3. In alcoholic drinks and tobacco advertising it is forbidden to address directly to the under-aged.
4. It is forbidden to demonstrate the process of use of alcoholic drinks and tobacco during their advertising.
5. Advertising of strong (20% and more spirit's volume percentage) alcoholic drinks (excluding cognac) and tobacco through electronic mass media is forbidden.
6. Tobacco and alcoholic beverage advertising is forbidden on the first and the last pages of newspapers, or on the first, last pages and covers of magazines.
7. The Health Warning inscription shall occupy not less than 10% of the tobacco advertising appearing in printed mass media, on outdoor advertising posters, placards, announcements, billboards, illuminated signs on other technical means and transport.
8. It is prohibited:
 - a) To advertise any kind of food or liquid used instead of breastfeeding for the children under 6 months, as well as the nipple-bottles or baby's dummies.
 - b) To place the advertising notes on the boxes of the breast-milk substitutes.
 - c) To realize the breast-milk substitutes without marking the privileges of the breast-feeding on them
 - d) To distribute the breast-milk substitutes free of charge with advertising purpose.
9. Advertising of medicines, medical equipment and devices and medical treatment methods without agreement of the Ministry of Health of the Republic of Armenia is forbidden.

Advertising of drugs, poisonous medicines and medicines of strong effect is forbidden.

Advertising of medicines, medical equipment and devices and medical treatment methods, requiring doctor's special prescription is forbidden. List of such items is confirmed by the Government of the Republic of Armenia.
10. Advertising of weapons and ammunition, except for shotguns, sporting guns and their ammunition is forbidden.

Article 16. Advertising of Financial Insurance, Securities of Investment Services

Advertising of banking, insurance and other financial and credit institutions, including those effecting security transactions, as well as services rendered by the stated institutions is forbidden, if during the time period of such advertisements' ordering and publicizing the object of advertising has not obtained the license envisaged by the legislation.

In advertisements of the aforesaid services it is prohibited:

- a) to include guarantee, forecast or promise about effectiveness of future activities, including announcements on increase of securities' market prices;
- b) include quantitative information that does not directly relate to promoted institutions, their services and securities;
- c) to include in advertisements of ordinary stocks any information on their market price or any guarantee for their dividends.

CHAPTER 3.

RIGHTS AND LIABILITIES OF ENTITIES INVOLVED IN ADVERTISING ACTIVITY

Article 17. Contractual Character of Advertising

Relations between the advertiser, advertisement producer and bearer shall be established and maintained on contractual basis and be regulated in the order stipulated by the legislation.

Article 18. Rights and Liabilities of Entities Involved in Advertising in Providing Information for Advertisement Production and Spreading

Advertisement producers and bearers shall require and advertisers shall produce written authentication of truthfulness of information being furnished (licenses, certificates).

Article 19. Advertisement Producer's Obligations in Observing the Legislation on Advertising of the Republic of Armenia

1. If advertiser's requirements to advertisement contradict the legislation of the Republic of Armenia, advertisement producer or bearer shall be liable to notify about it.
2. If the advertiser does not change his/her requirements or fails to produce written authentication on truthfulness of information furnished by him/ her, notwithstanding the substantiated warning by advertisement producer or bearer, the latter shall be empowered to dissolve the agreement and claim for compensation against incurred damage.

Article 20. Obligations of Advertiser, Advertisement Producer and Bearer in Providing Information to State Authorities

At the request of the authorized body, on which control over observance of the legislation on advertising is vested, the advertiser, advertisement producer or bearer having breached the legislation on advertising shall produce documents, written or verbal explanations and other information.

CHAPTER 4.

UNFAITHFUL ADVERTISING. CONSEQUENCES OF UNFAITHFUL ADVERTISING

Article 21. General Provisions on Unfaithful Advertising

1. Publicizing of unfaithful advertising, including premeditated false advertising, is prohibited.
2. For recognizing an advertisement unfaithful, presence of facts of misleading or public danger will be required.

By the term “misleading” is meant the actual ability of advertisement to mislead legal or natural persons in the consequence of complete or partial untruthfulness, omissions and distortions of information about goods’ features, quantity, quality, peculiarities, prices, etc., as well as about advertisers of those goods.

By the expression “public danger” is meant the actual ability of advertisement to cause prejudice to the competitor, urge to violence, use advertisement consumers’ prejudices and superstitions, lack of experience, and to induce to take actions hazardous for consumers’ health, property, and for the environment.

3. If advertiser’s, advertisement producer’s or bearer’s actions during advertising activity are honest, but may mislead consumers or make the advertisement publicly dangerous, the presence or absence of advertiser’s, advertisement producers’ or bearer’s premeditated intention shall not be taken into consideration.
4. Partially unfaithful advertisement shall be deemed unfaithful completely .
5. Literal truthfulness of advertisement does not prevent it from being recognized unfaithful, if its general content suggests another meaning.
6. Advertisement may be considered unfaithful not only due to its content, but also the place, time of publicizing and means of spreading (placing).

Article 22. Anti-advertising

1. In the event of revealing a fact of unfaithful advertising, the person having breached the legislation on advertising shall be liable to publicize an anti-advertisement at his/her expense.
2. The anti-advertising may also be effected by other legal and natural persons having volunteered to undertake such a commitment, by the proposal of a state body authorized for effecting control over observance of the legislation on advertising or court authorities.
3. Anti-advertising shall be carried out by the same means as used for the respective advertising, i.e. duration, space, place and conditions.

Article 23. Responsibility for Unfaithful Advertising and Refusal to Effect Anti-advertising

1. The natural and legal persons whose rights have been breached as a result of unfaithful advertising, shall be entitled to claim in the court order for:
 - a) compensation for losses;
 - b) compensation for damage caused to citizen’s life, health and property;
 - c) compensation for moral damage.

2. Responsibility for unfaithful advertising and refusal to effect anti-advertising shall be borne by advertiser, advertisement producer and bearer.

Advertiser shall bear responsibility for lawfulness, propriety of advertisement order, truthfulness of data presented in the latter, if advertiser fails to prove that breach of advertising legislation requirements has occurred through advertisement producer's or bearer's fault.

Advertisement producer shall bear responsibility for propriety and lawfulness of advertising information.

Advertisement producer shall bear responsibility for means of advertisement placing, time and place of publicizing.

3. Legal and natural persons shall bear responsibility in the order established by Article 26 of the present Law and the legislation of the Republic of Armenia for use of unfaithful advertising and refusal of effecting anti-advertising.

CHAPTER 5

STATE CONTROL OVER ADVERTISING ACTIVITY

Article 24. The State Authorized body of the Republic of Armenia Effecting Control Over Observance of the Legislation on Advertising

The State Authorized body of the Republic of Armenia effecting control over observance of the legislation on advertising shall be formed in the order defined by the Government of the Republic of Armenia.

Article 25. Powers of the State Authorized body of the Republic of Armenia Effecting Control Over Observance of the Legislation on Advertising

The State Authorized body of the Republic of Armenia effecting control over observance of the legislation is empowered:

- a) to warn about unfaithful advertising carried out by legal and natural persons and impose prohibition on them;
- b) to deliver warning notices to advertiser, advertisement producer and bearer about cessation of infringement of the legislation on advertising, as well on carrying out anti advertising;
- c) in the event of occurrence of unfaithful advertising to bring suits to the court against advertiser, advertisement producer and bearer, and in case of frequent infringement of the legislation on advertising to bring a suit with the proposal of their liquidation;
- d) to give official elucidation about the legislation on advertising of the Republic of Armenia.

Article 26. Responsibility for Infringement of the Legislation on Advertising of the Republic of Armenia

1. The state authorized body of the Republic of Armenia, in compliance with the legislation of the Republic of Armenia, shall be empowered to impose penalty for avoiding to fulfil or non-fulfillment in due course the requirements stated in its notices on infringement of the legislation on advertising.

2. Managers of advertiser's, advertisement producer's and bearer's companies shall bear administrative responsibility for infringements envisaged by paragraph 1 of the present Article. In such case the state authorized body of the Republic of Armenia is empowered to impose a penalty in the size of 100 times of the minimum salary.

3. Advertisers, advertisement producers and bearers will have the right to apply to the court with a request to declare partially or completely invalid notices delivered by the state authorized body of the Republic of Armenia or to cancel or modify the decision on imposing penalty.

Existence of the suit is not a ground for canceling the notice requirements or terminating the performance of the decision on penalty, unless a court decision has been taken on cancellation or termination of the mentioned actions.

There were additions and changes in Advertising Law, accepted by the Parliament on 28.04.99 and approved by the president R. Khocharyan on 21.05.99.

Article 27. Effective Date of the Present Law

The present Law shall become effective after 10 days from official publication (since August of 12, 2002).