



**Asia-Pacific
Economic Cooperation**

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Agenda Item: 2

Appendix 13 - APEC Action Agenda on Advertising Standards and Practice Development

Purpose: Consideration

Submitted by: CTI Chair

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APEC Action Agenda on Advertising Standards and Practice Development

As an important driving force in guiding consumption, expanding domestic demand and stimulating economic growth, advertising is a critical way of helping companies and industries across the APEC economies grow. Advertising enhances brand recognition, fosters competition, increases cross-border trade and provides for information and educational exchanges that build modern industrial economies. Regulatory and self-regulatory frameworks for advertising help achieve innovation, productivity and growth in all goods and services sold across and within APEC economies. The APEC Policy Support Unit (PSU) study of 2014 recognised the significant benefits of advertising.

Advertising standards refer to codes of practice – set out by the advertising industry on the basis of international experience and adapted to locally and culturally specific realities. As such, these standards provide guidance on how best to protect and inform consumers and prevent anti-competitive practices and complement a sound regulatory system. A self-regulation system that applies advertising standards is an implementation of self-discipline and self-management under industry auspices and is an important complement to government regulation and enforcement.

Asia-Pacific enjoys the most dynamic growth in the global economy while advertising spend across the region constitutes a significant share of the global market. It is APEC's priority to facilitate the alignment of standards, promote regional trade and investment liberalization and reduce non-tariff barriers to trade. We agree that the goal of aligning advertising standards across the Asia-Pacific region will be conducive to the establishment and delivery of advertising services, which, in turn, will enable business growth, greater regional trade and investment, non-tariff barrier reduction and drive economic growth among APEC economies.

The APEC PSU study provided a comprehensive map of the current situation with respect to the regulation of advertising in the region, and international experience. It showed that economies were in different stages of development in terms of advertising regulatory frameworks and that capabilities for self-regulation differ. The authors reasoned that APEC economies would benefit from sharing best practices consistent with international norms, from consumer awareness programs and dialogues on sector specific issues. Given the diverse needs and situations of APEC economies, some overall principles of Advertising Standards are essential in facilitating effective and efficient cooperation and the establishment of a more focused set of systems of advertising standards across the Asia-Pacific region.

We recommend that APEC economies reflect the following principles in their advertising regulatory regimes:

1. Be legal, decent, honest and truthful.
2. Conform to the principles of fair competition, as generally accepted in business. Advertisers should respect intellectual property rights, and the legitimate rights of brand holders and advertising agencies.
3. Respect the cultural, legal, and economic context of each individual APEC economy.
4. Give special care in advertising practice directed towards or featuring children or young people. Advertisements targeting, or portraying, children shall not contain anything that will lead to physical and mental harm to them and shall not take advantage of their potential vulnerability or credulity.
5. Advertising should not undermine healthy and active lifestyles or healthy balanced diets.
6. Advertising should take particular care to ensure truthfulness and integrity in relation to environmental claims.

7. Respect and protect personal privacy consistent with the APEC Privacy Framework and Cross Border Privacy Rules.
8. Comply closely with regional laws and regulations, industry standards and ethics.
9. Facilitate, rather than impede, trade and investment in the region.

We also note that:

10. Governments of APEC economies are in position to increase their support for efforts of advertising self-regulation in terms of public policy, legislation, and judicial practice, and should support industry organizations to show substantive encouragement for self-regulation practice.
11. The industry associations of the APEC economies are expected to actively participate in advertising self-regulatory practice. While raising awareness and capacity of self-regulation, they should play their role in guiding and rectifying their members' advertising practice.
12. APEC economies are steadily progressing with the formulation, amendment, and implementation of advertising standards system, based on international best practice and taking local cultural norms into account.
13. APEC Economies should actively explore specific ways to realize advertising self-regulation, should enhance communication and cooperation in terms of organizational structure, process design and performance management, and should endeavor to realize the significant industry role in self-regulation and extensive social influence of advertising self-regulatory practice.
14. As the initiator, investor and drivers of brand advertising campaigns, advertisers should practice corporate social responsibility and actively promote responsible advertising. Brand owners and their representative organisations should, therefore, assume primary responsibility for advertising communications and industry self-regulatory practice.
15. APEC Economies, recognizing the important role of advertising in the economy, including notably in promoting brand awareness, competition, cross border trade flows in goods and services, value-added employment, and market development, should,
 - Develop principles in 2015 for APEC economies to use in developing their advertising and self-regulatory regimes;
 - Develop and deliver mentoring and capacity building programs in 2015 that aim to help economies adopt these principles;
 - Develop an advertising regulatory checklist in 2015 that details key elements of a regulatory framework that facilitates trade and investment and protects consumers; and
 - Build public awareness programs of available consumer policy tools, including self-regulatory organizations (SROs) for roll out in 2015-2017.