

Pursuant to Article 18, Para 1, Indent 8; Article 20, Para 1, Indent 11, and Article 55 of the Law on Audio and Audiovisual Media Services (*Official Gazette of the Republic of Macedonia*, nos. 184/13, 13/14, 44/14, 101/14 and 132/14), in conjunction with Article 15, Para 1, Indent 7, and Article 39, Para 1, Indent 3 of the Rules of Procedure of the Agency for Audio and Audiovisual Media Services, No. 01-4351/1 dated 29.08.2014, and in accordance with Conclusion No. 02-6597/7 of the Agency's Council, dated 30.12.2014, the Council of the Agency for Audio and Audiovisual Media Services adopted, at its 25th session held on 30.12.2014, the following

GUIDELINES

ON IMPLEMENTING PRODUCT PLACEMENT RULES

I. GENERAL PROVISIONS

Subject

1. These Guidelines shall regulate in more detail the manner of implementing product placement rules.

Objectives

2. The objective of this Guidelines is to equip audiovisual media service providers with more detailed instructions for implementing product placement rules and, in particular:
 - to explain the terms, language and categories used in the Law;
 - to explain the manner of identifying product placement in programming;
 - to make transparent the way in which the Agency will evaluate compliance with the product placement rules within various types of programming;
 - to encourage audiovisual media service providers to apply product placement rules in the best way possible, protecting the audience's interests.

Glossary of terms

In the context of this Guidelines, the terms below shall mean as follows:

3. *Audiovisual commercial communications* are audio contents or images with or without sound, intended to:
 - directly or indirectly promote products, services or the image of physical or legal entities pursuing an economic activity, or
 - popularize an idea or activity, or achieve some other effect.

They accompany or are included in the programme in return for financial or another sort of compensation or for the procurer's self-promotional purposes. The forms of audiovisual commercial communications include, among other things: advertising, teleshopping, sponsorship and product placement.

4. *Product placement* is any form of audiovisual commercial communication that consists of inclusion of or reference to a product, service or trademark in a programme, in a way that it is embedded within its action, for financial or another kind of compensation. Any verbal reference or visual display of a brand or a name of a concrete product, service or company will also be considered as product placement and must, as such, comply with the rules established by Law and by this Guidelines.
5. *Prop placement (inclusion)* means use of products and services (as production props or prizes) within a programme, in a way that they are embedded within its action, without receiving any financial or other kind of compensation. The free use of production props is aimed at assisting or facilitating the programme production.
6. *Surreptitious audiovisual commercial communications* involve representation, by means of words, sounds or pictures, of goods, services, a brand, a trademark or activities of a goods manufacturer or service provider within a programme, where such representation is intended by the audiovisual media service provider to serve as advertising and may, as such, mislead the public with regard to its nature. Such representation is considered to be intentional, particularly if it occurs in return for payment or some other form of compensation.
7. *Sponsorship* is any contribution from a legal or physical entity that is not engaged in providing audio and audiovisual media services or in the production of audio and audiovisual works, for the purpose of financing audiovisual media services or programmes with the aim of promoting the entity's name, trademark, image, activities or products.

Editorial responsibility and programme integrity

8. Product placement must not influence editorial independence or the programme integrity of audiovisual media service providers. The demands of the advertisers whose products are placed in the programmes must not influence the script, content, structure, production or scheduling of the programme concerned.
9. The credibility and truthfulness of the claims and data presented as product placement are the procurer's responsibility, while the editor of the audiovisual media service provider is responsible for their compliance with the law.

10. Audiovisual media service providers are responsible for preserving the integrity of the programmes that constitute components of their service.
11. When concluding programme production contracts with independent producers, the audiovisual media service providers should also include provisions whereby they will protect their editorial independence and preserve the integrity of the programme.

II. PRODUCT PLACEMENT RULES

General rules

12. Product placement must be immediately identifiable as such.
13. Surreptitious product placement is not permitted.
14. Product placement must not use subliminal techniques.
15. Product placement must not:
 - bring into question the respect for human dignity;
 - include or promote any discrimination based on gender, race, ethnicity, nationality, faith or belief, disability, age or sexual orientation;
 - incite behavior harmful to health or safety;
 - incite behavior that significantly endangers the environment.
16. Product placement that falsely represents the nature, characteristics, quality or geographic origin of the products, services or commercial activities, is prohibited.
17. Product placement should be:
 - in compliance with the legal provisions in force concerning fair competition;
 - truthful and honest, should not mislead the public or be against the consumers' interests.

Products and services the placement of which is prohibited

18. Placing the following in the programming is not permitted:
 - cigarettes and other tobacco products, as well as physical or legal entities whose principal activity is the manufacture or sale of cigarettes and other tobacco products;
 - prescription-only medicinal products and medical treatments;

- drugs, alcohol and alcoholic beverages, with the exception of wine and beer;
- weapons, firearms and pyrotechnical items, or the firms that sell them.

Wine and beer placement rules

19. The placement of wine and beer must not:

- be aimed specifically at minors or, in particular, depict minors consuming wine or beer;
- link their consumption to enhanced physical fitness or to driving;
- create the impression that their consumption contributes towards social or sexual success;
- claim that wine and beer have therapeutic qualities, or that they are stimulants, sedatives, or means to resolving personal conflicts;
- encourage immoderate consumption of alcohol or represent abstinence or moderation in a negative light, or
- emphasize high alcoholic content as a positive quality of wine or beer.

Medicinal products or treatments not subject to medical prescription

20. The placement of medicinal products and medical treatments available without medical prescription must not stimulate unreasonable use of the same, i.e. it should present the same objectively, without exaggerating their attributes, in tune with the instructions for their use.

Prohibition of direct incitement or undue prominence

21. The programmes containing product placement must not directly incite consumers, through undue prominence or recommendation, to buy or lease certain products or services. The products or services placed in the programmes must not be assigned excessive importance, by way of emphasizing or referring to them.

22. A certain product, brand, name or trademark may be shown in a programme, yet their display or referencing must not be done in an aberrant, exaggerated or intrusive manner that visibly promotes the product, service or brand.



23. The presenters of programmes containing product or service placement should avoid praising the quality, price and availability of the products or services, or give any positive assessments or recommendations that incite the consumers to buy or lease the products or services being placed.

24. The evaluation of whether there is direct incitement or undue prominence of a product or service in a certain programme is done for each case individually, on the basis of any of the following criteria:
- placement features, e.g.: the space allocated on-screen or in the studio;
 - duration and frequency of the reference or the exposure;
 - suitability and justification of the reference or exposure viewed from the aspect of the editorial concept of the programme concerned;
 - the language used in the reference or the visual means of representation.

Marking product placement

25. In order to avoid confusing the viewers, the programmes containing product placement should be clearly marked, at their beginning and at their end, as well as upon any continuation of the programme concerned (if the programme is interrupted by commercial breaks).
26. The TV programmes containing product placement should be marked by displaying a logo and a text on the TV screen, in the following manner:
- the logo should be displayed anywhere on the screen and be easily noticeable for the viewers;
 - any appearance of the logo must be accompanied by text;
 - any on-screen appearance of the logo and the text should last at least 10 seconds.

The logo and the text that should be displayed on the TV screen are shown below:

VERSION USED AGAINST DARK BACKGROUND	
	Programme containing product placement!
VERSION USED AGAINST LIGHT BACKGROUND	
	Programme containing product placement!

27. If the audiovisual media service providers want to state the entire list of products, services or brands being placed in the programme, they can do that only at the end of the programme, within the end credits (and/or in a separate section on their website referring to the broadcasted programme concerned). When such information is broadcasted in the programme, then it must be done in a neutral and non-promotional manner, without any inclusion of additional information on the products, services or brands being placed.
28. If the audiovisual media service provider broadcasts a foreign programme containing previously embedded Product Placement logo, they can leave the logo on-screen. However, in addition to this logo, they must also broadcast the text stated in the table above.
29. If the audiovisual media service provider broadcasts a foreign programme containing unmarked product placement, they are obliged to mark the products placed for the purpose of protecting their viewers, regardless of the fact that they have no financial interest in doing so.

Programmes in which product and prop placement are banned

30. Product placement is banned in the following types of programming, as established in the Guidelines on the Manner of Classification of the Types of Audiovisual and Audio Programmes (*Official Gazette of the Republic of Macedonia* No. 171/14):
 - The following types of informative programmes: the news or TV journals; current-affairs programmes; current-affairs programmes with a documentary approach; current-affairs talk shows; live or recorded broadcasts of sessions of the authorities; live or recorded broadcasts of social and political events; informative magazines; info-tainment programmes; info-service; informative programmes in the field of art, culture and human sciences; children's programmes of informative character, and other informative programmes.
 - The following types of educational programmes: educational programmes; documentaries; educational programmes in the field of art, culture and human sciences: documentaries about religious topics; children's programmes of educational character, and other educational programmes.
 - The following types of entertainment programmes: entertainment and informative programmes, and children's entertainment programmes.

31. Prop placement is banned from all types of programmes that prohibit product placement.

Product placement and sponsorship

32. Product placement differs from sponsorship in that the mention of the sponsor's name or the display of their trademark is always embedded in the programme's script or set, whereas, with sponsorship, the identification of the sponsor must be clearly separated from the programme content.
33. The programmes containing product placement that are also being sponsored, are subject to both product placement rules and the rules on sponsorship.

Product placement and surreptitious advertising

34. Product placement is a practice allowed in certain types of programmes, unlike surreptitious advertising which is fully prohibited.
35. Failure to clearly or adequately mark a programme containing product placement as such will be considered a form of surreptitious advertising, i.e. as violation of Article 53, Paragraph 2 of the Law on audio and Audiovisual Media Services.

Prizes as props

36. The prizes given out to the participants in a programme or the viewers shall be considered as prop placement. As such, they should be identified verbally or visually, according to the same rules that apply to product placement.

III. CONCLUDING PROVISIONS

37. These Guidelines shall enter into force one day after its publication in the *Official Gazette of the Republic of Macedonia*.

Agency for Audio and Audiovisual Media Services

President of the Council
Lazo Petrusevski
(personal signature)

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