

#### LAW OF UKRAINE

On advertising

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     N 1121-IV ( 1121-15 ) from July 11, 2003, VVR, 2004, N 8, p.62 }
{ With changes introduced in accordance with the Laws
  N 1407-IV ( 1407-15 ) from February 3, 2004, VVR, 2004, N 16, p.238
 N 3099-IV ( 3099-15 ) from November 17, 2005, VVR, 2005, N 52, p.566
 N 3253-IV ( 3253-15 ) from December 21, 2005, VVR, 2006, N 5-6, p.75
 N 3480-IV ( 3480-15 ) from February 23, 2006, VVR, 2006, N 31, p.268
 N 1033-V ( 1033-16 ) from May 17, 2007, VVR, 2007, N 34, p.445
 N 145-VI ( 145-17 ) from March 18, 2008, VVR, 2008, N 18,p.197 }
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This Law defines the principles for advertising activity in Ukraine, regulates the relationships that arise during the process of the production, dissemination and consumption of advertising.

#### Section I GENERAL PROVISIONS

#### Article 1. Definition of Terms

advertising producer - the entity fully or partly engaged in production of advertising;

indoor advertising - advertising that is located inside buildings and structures, including in movie theaters and theaters during, before and after the showing of films and performances, concerts, and also during sports competitions that take place indoors, except commercial locations (including bars, kiosks, fruit-stands), where information can be disseminated on goods that are sold directly in these places; { Paragraph

3 of Article 1 in versions N 145-VI (145-17 ) of the law from March 18, 2008  $\}$ 

measures of an advertising character - measures with dissemination of advertisement, which envisages the free dissemination of samples of goods that are being advertised, and/or their exchange by consumers for one number or one type of goods being advertised with another; (Article 1 is supplemented with a paragraph in accordance with Law N 145-VI ( 145-17 ) form March 18, 2008 }

reduction - a temporary reduction in the price of goods, which is passed on to the buyers (consumers);  $\{$  Article 1 is supplemented by a paragraph in accordance with Law N 145-VI( 145-17 ) from March 18, 2008  $\}$ 

outdoor advertising - advertising placed on special temporary and permanent constructions located in the open air, as well as on external surfaces of houses, buildings, on elements of street equipment, over roadways of streets and roads;

unfair advertising - advertising, which deceives or may deceive consumers of advertising, incur damages to entities, the state or society due to the inaccuracy, non-authenticity, ambiguity, exaggeration, suppression, violation of requirements for the time, place and means of distribution;

entity - a physical person, including subjects of entrepreneurial activity, a legal entity of any type of ownership, representation of a non-resident of Ukraine;

comparative advertising - advertising, which includes comparison with other entities and/or goods of another entity;

concealed advertising - information on the entity or goods in a program, broadcast, publication, if such information serves advertising purposes and may deceive entities with respect to the real objective of such programs, broadcasts, publications;

advertising - information on the entity or goods distributed in any form and in any manner in order to form or maintain knowledge of consumers of advertising and their interest with respect to such entity or goods;

advertising on transport - advertising placed on the territory of public transportation enterprises, in the subway, on internal and external surfaces of transportation vehicles and buildings of public transportation enterprises and the subway;

advertising means - means used for delivering advertising to its consumers;

advertiser - the entity, which orders advertising for its production and/or distributio;

distributor of advertising - the entity engaged in distribution of advertising;

social advertising - information of any type, distributed in any form, which is aimed at the achievement of socially beneficial objectives,

popularization of common values and the distribution of which is not aimed at obtaining profits;

special exhibition measures - measures, which are performed with the purpose of the promotion of the commodity on the market, are carried out in an organized manner in a certain premise or an enclosed area (including in places where the commodity is sold) under specific terms, calculated for interested and/or professional customers, the organizer of which has limited the use of the measure for these entities, which according to legislation are permitted to sell the commodity that is being demonstrated; (Article 1 with a supplemental paragraph in accordance with the Law N 145-VI ( 145-17 ) from March 18, 2008 }

consumers of advertising - indefinite circle of entities, the advertising is aimed at;

sponsorship - volunteer material, financial, organizational and other support provided by physical persons and legal entities to any activity in order to popularize solely the sponsor's name, title, trademark for goods and services;

goods - any object of economic circulation, including products, works, services, securities, objects of the intellectual property right.

#### Article 2. Application of the Present Law

- 1. The present Law regulates relations related to the production, distribution and consumption of advertising on the territory of Ukraine.
- 2. The present Law shall not apply to relations with respect to distribution of information, which should be mandatorily placed and promulgated according to other Laws of Ukraine.
- 3. The present Law shall not apply to announcements of physical persons not related to the entrepreneurial activity.

#### Article 3. Legislation on Advertising

- 1. Ukrainian legislation on advertising shall include the present Law and other normative acts regulating relations in the field of advertising.
- 2. If Ukraine's international agreement, which was approved by the Verkhovna Rada of Ukraine, sets other rules that those envisaged by Ukrainian legislation on advertising, the rules of the international agreement shall apply.

#### Article 4. Use of Copyright and (or) Related Rights in Advertising

The use of objects of copyright and (or) related rights in advertising shall be performed according to requirements of the Ukrainian legislation on copyright and related rights.

( Article 4 in version of the Law N 1407-IV ( 1407-15 ) from February 3, 2004 )

#### Article 5. Sponsorship

{ Name of Article 5 in the version of the Law N ~145-VI ( ~145-17 ) from March ~18, ~2008 }

1. TV and radio programs, materials for other mass media, spectacular and other events created and held with the participation of sponsors are prohibited from providing any information of an advertising nature with

respect to the sponsor and/or their goods, except for the name or title and trademark for goods and services of sponsors.

In television broadcasts it is forbidden to include any information of an advertising character that includes in the form of dictated text and/or sound accompaniment any information with respect to the sponsor that is a manufacturer of alcoholic drinks, the name (title) and/or trademark for goods and services of the sponsor. (First part of Article 5 with a supplemental second paragraph with Law N 145-VI ( 145-17 ) from March 18, 2008 - becomes effective as of January 1, 2009}

- 2. Sponsors shall not be entities producing or distributing goods, advertising of which is prohibited by the law.
- 3. Sponsors shall not be entities producing or distributing goods, whose production and/or circulation is prohibited by the law.
- 4. Programs, broadcasts prepared with a sponsor's support shall be marked with the help of captions or a voice-over at the beginning and/or at the end of programs, broadcasts.
- 5. The sponsor shall not have the right to influence the content and air time of programs, broadcasts or the content of materials of a printed edition, which it sponsors.
  - 6. Sponsorship of news programs and broadcasts shall be prohibited.

#### Article 6. Advertising Language

The use of languages in advertising shall be performed according to the effective legislation of Ukraine on languages.

Trademarks for goods and service are provided in advertising in the form, in which they have acquired legal protection in Ukraine according to the legislation, particularly, to Article  $6^{\rm quinquies}$  of the Paris Convention for the Protection of Industrial Property. (  $995\_123$  ). { Article 6 in the version of the Law N 1407-IV ( 1407-15 ) from February 3, 2004; with changes introduced in accordance with Law N 145-VI ( 145-17 ) from March 18, 2008 }

## Section II GENERAL REQUIREMENTS FOR ADVERTISING

#### Article 7. Principles of Advertising

- 1. The key principles of advertising are: legality, precision, authenticity, use of forms and means, which do not inflict damages on consumers of advertising.
- 2. Advertising shall not undermine the confidence of society in advertising and shall meet requirements of fair competition.
- 3. Advertising shall not include information or pictures, violating ethical, human, moral norms, or neglecting rules of decency.
- 4. Advertising shall take into account the special sensitivity of children and shall not harm them.

#### Article 8. General Requirements for Advertising

1. Advertising is prohibited from:

disseminating information with respect to goods, whose production, circulation or import to Ukraine's customs territory is prohibited by the law;

including discriminatory statements with respect to origin, social and property status, race and nationality, sex, education, political views, attitude towards religion, language, occupation, place of residence, other circumstances or statements discrediting goods of other entities;

providing information or calling for actions, which may cause violation of the legislation, damage or may damage the health or life of people and/or environment, as well as urge them to neglect safety means;

using means and technologies, which directly influence the subconsciousness of consumers of advertising;

providing statements discriminating entities that do not use advertised goods;

using or imitating pictures of the State Coat of Arms of Ukraine, the State Flag of Ukraine and music of the State Anthem of Ukraine, pictures of state symbols of other countries and international organizations, as well as official names of state bodies of Ukraine, municipal self-governing bodies, except for cases envisaged by the law of Ukraine in the sphere of intellectual property; { Paragraph 7 of Part 1 of Article 8 in the version of the Law N 145-VI ( 145-17 ) from March 18, 2008 }

advertising goods that are subject to obligatory certification or whose production or sale requires a special permit or license, in case a respective certificate, license or permit is not available; { Paragraph 8 of Part 1 of Article 8 with changes introduced in accordance with Law N 145-VI ( 145-17 ) from March 18, 2008 }

including pictures of physical persons or using their names without the consent of these persons; { Paragraph 9 of Part 1 of Article 8 with changes introduced in accordance with Law N 145-VI ( 145-17 ) from March 18, 2008 }

imitating or copying texts, pictures, musical or sound effects, used for advertising of other goods, unless Ukrainian legislation on intellectual property envisages otherwise;

advertising services related to concert, touring-concert activity, contest or festival activity without information on performers of musical works using or not using phonographs. Such information shall occupy at least 5% of the general area (total volume) of advertising on posters, other advertising means with respect to these specific services;

distributing advertising (including announcements of movies or television films), which uses elements of cruelty, violence, pornography, cynicism, humiliation of human honor or dignity. Announcements of movies, which have audience-related restrictions, shall be placed only during the time allocated for showing such movies.

2. Distributed advertising cannot include advertising that in accordance with legislation advertises types of activity or goods subject to mandatory certification or their production and sale requires the availability of the corresponding permission or license and the advertiser who commissioned the advertising did not provide copies of such

certificates, permissions, and licenses in the established order.  $\{Part\ 2\ of\ Article\ 8\ in\ the\ version\ of\ the\ Law\ N\ 145-VI\ (\ 145-17\ )\ from\ March\ 18,\ 2008\ \}$ 

3. Advertising of contests, lotteries, drawing of prizes, etc, shall include information on terms, place and time of these events and the source of the information from which it is possible to learn about the conditions and the place for the performance of these measures must be indicated.

Information on any changes related to terms, place or time of contests, lotteries or drawing of prizes, etc, shall be presented following the same procedure, according to which it was distributed.  $\{ Part \ 3 \ of \ Article \ 8 \ in \ the \ version \ of \ the \ Law \ N \ 145-VI \ ( \ 145-17 \ ) \ from March \ 18, 2008 \ \}$ 

{ Part of Article 8 included in the basis of Law N 145-VI ( 145-17 ) from March 18, 2008 }

- 5. Advertising of discounted prices for products, sell-outs shall include information on place, beginning and end of discounted prices for products, sell-outs, as well as discount percentage with respect to the previous sale price for products.
- { Part 5 of Article 8 with changes introduced in accordance with Law N 145-VI ( 145-17 ) from March 18, 2008 }
- 6. The sound volume of advertising broadcast on radio or television shall not exceed the sound volume of the current program or broadcast.
- 7. Placement of information on the producer of goods and/or a commodity in places where this commodity is sold or provided to consumers, including at elements for the equipping and/or formation of the place of trade, and also directly for the commodity itself and/or its packaging, is not considered advertising.

{ Part 7 of Article 8 with changes introduced in accordance with Law N 145-VI ( 145-17 ) from March 18, 2008 }

#### Article 9. Identification of Advertising

- 1. Advertising should be clearly separated from other information regardless of its forms or means of distribution, so it can be identified as advertising.
- 2. Advertising in television or radio programs or broadcasts should be clearly separated from other programs, broadcasts at the beginning and at the end with the help of audio-, video- or combined means, captions, advertising logotype or commentaries of presenters with use of the word "advertising".
- 3. Informational, author's or editorial material, which emphasizes a certain entity or goods and which forms or maintains the knowledge and interest of viewers (listeners, readers) with respect to this entity or goods is to be considered advertising and shall be placed in the section "Advertising" or "On the Rights of Advertising."
- 4. The logotype of tv/radio organizations, which acts as broadcasting of programs shall not be considered advertising.
  - 5. Concealed advertising shall be prohibited.

- 6. Signs or billboards with information on the registered name of an entity, trademarks for goods and services that belong to the entity, its type of activity (if it does not follow from the registered name of the entity), the time of work that is placed on the indoor surfaces of the individual's premises, on the outside surface of the building, but not higher than the first floor where it is proper or suitable for use by the entity, in addition to the entrance to the premises, shall not be considered advertising.
- { Article 9 with an additional part of Article 6 in accordance with Law N 145-VI ( 145-17 ) from March 18, 2008 }

#### Article 10. Unfair Advertising

- 1. Unfair advertising shall be prohibited.
- 2. The guilty entities shall bear responsibility for unfair advertising.
- 3. The decision on determining advertising as unfair shall be passed by state bodies, stipulated by Article 26 of the present Law.

#### Article 11. Comparative Advertising

- 1. Relations arising due to comparative advertising shall be regulated by Ukrainian legislation on protection against unfair competition.
- 2. The advertiser shall bear responsibility for illegitimate comparison in advertising.
- 3. The decision on determining comparison in advertising as illegitimate shall be passed by state bodies, stipulated by Article 26 of the present Law.

#### Article 12. Social Advertising

- 1. An advertiser of social advertising may be any entity.
- 2. Social advertising shall not include reference to certain goods and/or their producer, advertiser, (with the exception of cases where the advertiser is a public organization), objects of intellectual property rights, which belong to the producer of goods or advertiser of social advertising.
- { Part 2 of Article 12 in the version of the Law N 145-VI ( 145-17 ) from March 18, 2008 }
- 3. Entities producing and distributing social advertising for free and entities transferring their property and funds to other entities for production and distribution of social advertising shall enjoy privileges, envisaged by Ukrainian legislation on charitable activity.
- 4. Mass media distributors of advertising, whose activity is fully or partly financed by the state or local budgets, shall place social advertising of state bodies and local self-government bodies, public organizations for free in the volume of at least 5% of air time, printed area allocated for advertising.
- 5. Mass media distributors of advertising, whose activity is fully or partly financed by state or local budgets, shall provide privileges when placing social advertising, which is produced by order of culture or

healthcare facilities maintained by the state or local budgets, as well as charity organizations.

6. Tax on advertising with payment for services for allocation of social advertisement is established in accordance with the Decree of the Cabinet of Ministers of Ukraine "On Local Taxes and Duties" (56-93). { Article 12 with an additional part of Article 6 in accordance with the Law N 145-VI (145-17) from March 18, 2008 }

#### Article 13. Advertising on Television and Radio

- 1. Air time allocated for advertising shall not exceed 15%, and during the electoral process 20%, of the of actual broadcasting for every astronomic day for TV/radio organizations of any type of ownership. This requirement shall not apply to specialized advertising channels. The time spent on political advertising during the electoral process on specialized advertising channels cannot exceed 20% of the actual volume of air time in the course of every hour of air time.

  ( Part 1 of Article 13 in the version of the Law N 3099-IV ( 3099-15 ) from November 17, 2005; with changes introduced in accordance with Law N 3253-IV ( 3253-15 ) from December 21, 2005 )
- 2. The share of advertising during each astronomic hour of actual broadcasting shall not exceed 20%, and during the electoral process 25%. ( Part 2 of Article 13 in the version of the Law N 3253-IV ( 3253-15 ) from December 21, 2005 )
- 3. Advertising shall be placed in breaks between programs, broadcasts.

When implementing conditions, stipulated by part five of the present Article, advertising may be placed during broadcasting of programs and broadcasts in such a way, which will not damage the integrity and content of a program, broadcast and rights of their owners.

- 4. It is prohibited to interrupt ,with advertising, broadcasts of sessions of the Verkhovna Rada of Ukraine, sessions of the Verkhovna Rada of the Crimean Autonomous Republic, official state events and ceremonies, addresses of the President of Ukraine, the Speaker of the Verkhovna Rada of Ukraine, the Prime-Minister of Ukraine, the Head of the Constitutional Court of Ukraine, the Head of the Supreme Court of Ukraine, People's Deputies of Ukraine, members of the Government of Ukraine, as well as broadcasting of religious services, programs, broadcasts for children and news programs and broadcasts.
- 5. Broadcasting of concert-spectacular programs, broadcasts may be interrupted with advertising provided the program runs at least for 30 minutes in-between advertising breaks.

Advertising during broadcasting of sports programs, broadcasts shall be placed in breaks between their periods of action.

Advertising during broadcasting of movies and television films shall be placed before the beginning of a movie and/or after its end.

Broadcasting of movies and television films, provided they run up to 42 minutes, shall not be interrupted with advertising or any editorial, author's or informational materials (including announcements of programs, broadcasts).

Broadcasting of movies and television films, provided they run 42-70

minutes, may be interrupted with advertising or any editorial, author's or informational materials (including announcements of programs, broadcasts) once and provided they run 70-90 minutes - twice. Broadcasting of movies and television films, provided they run more than 90 minutes, may be interrupted with advertising or any editorial, author's or informational materials (including announcements of programs, broadcasts) every 30 minutes, provided the movie runs at least 20 minutes after the last advertising break.

6. For purposes of the present Article advertising shall not be considered:

promulgation, announcement in a program, broadcast of the name, title of the sponsor, objects of intellectual property rights belonging to the sponsor;

broadcasting of social advertising, if it is distributed by a TV/radio organization for free;

announcements of the TV/radio organization's programs, broadcasts.

- 7. Responsibility for complying with requirements of the procedure for placing and distributing advertising in programs, broadcasts shall be placed on TV/radio organizations.
- 8. Presenters, anchors and other participants of informational and information-analytical programs, broadcasts shall be prohibited from listing to consumers the properties of goods and/or point out bank accounts, contact phone numbers, locations of the producer of the goods, price for the goods.
- 9. Broadcasting (re-broadcasting) of advertising included in programs, broadcasts of foreign TV/radio organizations, which are broadcast (re-broadcast) to the territory of Ukraine is permitted only in case a legal entity of Ukraine has received a certain payment for broadcasting (re-broadcasting) of such advertising, regardless of the way to perform such broadcasting (re-broadcasting).

It is prohibited to allocate to the providers of program services advertising in programs and broadcasts of foreign television/radio organizations.

 $\{$  Part 9 of Article 13 with an additional second paragraph in accordance with Law N 145-VI ( 145-17 ) from March 18, 2008  $\}$ 

#### Article 14. Advertising in Printed Mass Media

- 1. The volume of advertising in printed mass media is determined by printed mass media independently. Printed mass media distributed upon subscription shall state the amount of advertising in the total volume of the edition in section on subscription terms.
- ( Part 1 of Article 14 with changes introduced in accordance with Law N 3099-IV ( 3099-15 ) from November 17, 2005 )
- 2. The printed area devoted to political advertisement during the electoral process in printed mass media may not exceed 20% of the total volume of printed space in each issue of the publication or a supplement to it. This restriction does not apply to printed mass media, the founders of which are political parties.
- ( Article 14 supplemental to Part 2 in accordance with the Law N 3099-IV ( 3099-15 ) from November 17, 2005 )

Article 15. Advertising of Services with the Use of Telecommunications

1. Advertising of services rendered with use of telecommunications, including telephone communications during its distribution in advertising means shall include precise information on:

the essence of the advertised service;

the cost of advertised service;

age or other restrictions established by legislation and the producer of the service with respect to the circle of consumers of the advertised service;

payable or free use of telephone connection channels providing the advertised service and per-minute cost of telephone connection for obtaining the service in a respective region;

full name, title, address of the provider of the advertised service.

This information shall be presented in font not smaller than half the size of the font selected for the phone number used for providing the advertised service.

- 2. It is prohibited to distribute advertising via telex or facsimile connection.
- 3. It is prohibited to use free-of-charge phone numbers of police, ambulance, fire departments and other emergency services for distribution of advertising.

## Article 16. Outdoor Advertising

1. Placement of outdoor advertising in populated centers shall be performed on the basis of permits issued by executive bodies of village, settlement and city councils and according to the procedure set forth by these bodies on the basis of typical rules approved by the Cabinet of Ministers of Ukraine. It is prohibited to interfere with the form and content of outdoor advertising while issuing permits for the placement of outdoor advertising.

Outdoor advertising on territories, buildings and houses is placed with the consent of their owners or bodies (entities) as authorized.

Placement of outdoor advertising on territories and objects outside populated centers shall be performed only upon consent of their owners or bodies (entities) as authorized.

- It is prohibited to collect payment for issuance of permits.
- 2. Outdoor advertising shall meet the following requirements:

it should be placed adhering to requirements of safety regulations and ensuring visibility of road signs, traffic lights, crossroads, pedestrian crossings, public transportation stops and should not replicate pictures of road signs;

illumination of outdoor advertising should not blind drivers of road traffic, as well it should not illuminate apartments in apartment buildings;

the foundations of ground-based outdoor advertising standing out above the ground surface may be decorated;

supports for ground-based outdoor advertising, which are placed along the side of streets and roads, should have a vertical road marking covered by light-reflecting materials two meters high above the ground surface;

the lowest edge of outdoor advertising placed over the roadway, including on bridges, viaducts, etc, should be placed at least five meters high above the surface of the road;

in places, where the streets borders on building facades or fences, outdoor advertising may be placed along the same line of facades of buildings or fences.

3. It shall be prohibited to place external advertising means:

along pedestrian alleys and passages;

in populated areas - lower than five meters above the surface of the road, if the advertising surface stands out beyond the curb of the roadway;

outside populated areas - closer than five meters from the curb of the roadway.

- 4. Placement of outdoor advertising on memorials and within protected areas for memorials of national or local importance, within objects of the nature-reserve fund shall be permitted upon agreement of the central or local bodies of executive power in the field for protection of cultural heritage.
- 5. The list of restrictions and prohibitions related to placement of outdoor advertising, determined by the present Law, is exhaustive.

#### Article 17. Indoor Advertising

- 1. Placement of indoor advertising shall be agreed upon only with the owners of the object or an entity thereby authorized by them. It is prohibited to interfere with the form and content of advertising while agreeing upon placement of indoor advertising.

  { Part 1 of Article 17 with changes introduced in accordance with Law
- { Part 1 of Article 17 with changes introduced in accordance with Law N 145-VI ( 145-17 ) from March 18, 2008 }
- 2. It is prohibited to place indoor advertising in premises of state bodies and local self-government bodies, preschool educational establishments, secondary schools and special educational establishments.

This prohibition shall not apply to social advertising.

### Article 18. Advertising on Transport

- 1. Placement of advertising on transport shall be agreed upon only with the owner of the transport vehicles or with bodies (entities) authorized by the owner. It is prohibited to interfere with the form and content of advertising while agreeing upon its placement on transport.
- 2. Placement of advertising on transport shall meet the requirement s of safety and traffic rules.

- 3. Provided advertising is placed on transport adhering to the requirements of safety and traffic rules, it is prohibited to demand that owners of the transport vehicles obtain permits, approvals, other documents related to placement of advertising.
  - 4. It is prohibited to place the following on transport vehicles:

advertising replicating or imitating color and graphic schemes of special and operational transport vehicles;

advertising covered with light-reflecting materials;

advertising accompanied by sound or light signals.

It is prohibited to place advertising on glass (transparent) surfaces of transport vehicles, except for cases when the advertising uses materials, which ensure an unimpeded view from inside the body of the transport vehicles.

5. It is prohibited to distribute advertising through radio broadcasting or other sound networks for passengers on public transport, in subway stations, in railway terminals, ports and airports, except for social advertising.

Article 19. Advertising during the Showing of Movies and Video Films

It is prohibited to interrupt, with advertising, the showing of feature and documentary movies in cinemas, video salons and other places conducting public showings of movies, video and slides films.

#### CTATTS 20. Advertising and Children

1. Advertising is prohibited:

which uses pictures of children consuming or using products designed only for adults or prohibited for purchase or consumption by minors;

with information, which can undermine the authority of adults, guardians, trustee, teachers or discredit the confidence of children therein;

with direct appeals to children to buy certain products or ask the third parties to make the purchase;

with the use of pictures of real or toy weapons, explosive assemblies.

- 2. Advertising shall not include pictures of children in dangerous situations or under circumstances, which in case of imitation thereof might harm children or other entities, as well as information, which may cause a disrespectful attitude of children towards situations dangerous for health and life.
- 3. Advertising shall not harm children morally or physically, cause feelings in them of inadequacy.
- 4. Advertising shall not point out the possibility of purchasing by each family advertised goods, designed mainly for children, not taking into account the family budget.
  - 5. Advertising shall not give children an impression that possession

of the advertised products gives them an advantage over other children.

## Section III PECULIARITIES OF ADVERTISEMENT OF SOME TYPES OF GOODS

Article 21. Advertising of Medicinal Products, Medical Equipment, Preventive, Diagnostic, Treatment and Rehabilitation Methods

1. It is permitted to advertise:

only those medicinal products, medical equipment, preventive, diagnostic, treatment and rehabilitation methods, which according to the established procedure are permitted for use in Ukraine by a specially authorized central body of executive power in the field of healthcare;

on those medicinal products sold without a doctor's prescription and medical equipment, preventive, diagnostic, treatment and rehabilitation methods, the application of which does not require special knowledge and training.

- 2. It is prohibited to advertise medicinal products used and distributed only with a doctor's prescription.
- 3. It is prohibited to advertise doping substances and/or methods for their application in sports.
- 4. Advertising of medicinal products, medical equipment, preventive, diagnostic, treatment and rehabilitation methods shall include:

objective information on the medicinal product, which shall be presented in a manner showing that the information is only advertising and the advertised commodity is a medicinal product;

requirement for the necessity of consultation with a doctor before taking the medicinal product; { Paragraphs 3 and 4 of Part 4 of Article 21 replaced with the paragraph in accordance with Law N 145-VI ( 145-17 ) from March 18, 2008 }

recommendation related to obligatory study of instructions on application, which accompanies medicinal products.

- 5. Advertising of medicinal products, medical equipment, preventive, diagnostic, treatment and rehabilitation methods shall not include references to therapeutic effects with respect to incurable or rarely curable diseases.
- 6. Advertising of medicinal products, medical equipment, preventive, diagnostic, treatment and rehabilitation methods is prohibited from including:

information which may give an impression that in the case of taking the medicinal product or using the medical equipment medical consultation with a doctor is not necessary;

information that the medicinal effect is absolutely guaranteed when taking the medicinal products or using the medical equipment;

pictures of changes in the human body or its parts due to diseases, injuries;

statements that contribute to the occurrence or development of the

#### **Unofficial Translation**

fear of getting sick or worsening the condition of one's health due to not using the advertised medicinal products, medical equipment and medical services;

statements that contribute to the possibility of independently diagnosing diseases, pathological conditions of humans and their independent treatment with use of the advertised medical goods;

references to medicinal products, medical equipment, preventive, diagnostic, treatment and rehabilitation methods as the safest, the most efficient, exceptional with respect to side effects;

comparisons with other medicinal products, medical equipment, preventive, diagnostic, treatment and rehabilitation methods in order to increase the impact of the advertising;

references to certain cases involving the successful use of medicinal products, medical equipment, preventive, diagnostic, treatment and rehabilitation methods;

recommendations or references to recommendations of medical employees, scientists, medical facilities and organizations with respect to the advertised goods or services;

special expressions of gratitude, thanks, letters, excerpts from them with recommendations, narrations on the use and results of the effects of the advertised goods or services from individual persons;

pictures and mentions of names of popular figures, heroes of movies, television films and animated cartoons, authoritative organizations;

information, which may deceive consumers with respect to the composition, origin, effectiveness, patent protection of a medicinal product.

- 7. Advertising of medicinal products, medical equipment, preventive, diagnostic, treatment and rehabilitation methods shall not involve participation of doctors and other professional medical employees, as well as entities whose appearance imitates that of doctors.
- 8. Advertising of medicinal products is prohibited from including information, which allows for an assumption that the medicinal product is a food, cosmetic or other consumer good or that the safety or efficacy of this medicinal product is conditioned by its natural origin.
- 9. Advertising of cosmetic and food products, vitamins and other food additives is prohibited from referring to the fact that these goods have medicinal properties, in such cases where these properties have not been proved according to the procedure established by the legislation by a specially authorized central body of executive power in the field of healthcare.
- 10. It is prohibited to advertise medicinal sessions, other analogous events using hypnosis and other methods of non-contact, mental or bio-energetic influence.  $\{$  Part 10 of Article 21 in the version of the Law N 1033-V ( 1033-16 ) from May 17, 2007  $\}$
- 11. It is prohibited to advertise new methods of treatment, diagnostics, rehabilitation and medicinal products, which are being studied according to the established procedure, but have not been permitted for use. { Part 11 of Article 21 in the version of the Law

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N 1033-V ( 1033-16 ) from May 17, 2007 }
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- 12. The advertisement of national medicine (treatment) services and individuals who provide them is allowed only for national medicine (treatment) provided by the Ministry of Health of Ukraine or an agency accredited by it and it must contain the number, date of the issuance of the aforementioned permission and the name of the agency that gave it. { Article 21 with additional part in accordance with the Law N 1033-V ( 1033-16 ) from May 17, 2007 }
- 13. Provisions of the present Article shall not apply to advertising of medicinal products, medical equipment, preventive, diagnostic, treatment and rehabilitation methods, which is placed in specialized editions designated for medical facilities and doctors, as well as distributed at seminars, conferences, symposiums on medical issues.
- Article 22. Advertising of Alcoholic Beverages and Tobacco Products, Trademarks for Goods and Services, Other Objects of Intellectual Property Rights, under which Alcoholic Beverages and Tobacco Products are Manufactured
- 1. Advertising of tobacco products, trademarks for goods and services, other objects of the intellectual property rights, under which tobacco products are manufactured is prohibited:

on radio and television,

on the first and last pages of newspapers, on covers of magazines and other publications, in all publications for children and minors, on the pages of all printed publications for children and minors;

in all printed mass media (expect specialized publications);  $\{$  In effect as of January 1, 2010  $\}$ 

indoor advertising;

on transport;

with the help of advertising events (except for special tobacco product exhibition events);

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outdoor advertising. { In effect as of January 1, 2009 } { Part 1 of Article 22 in the version of the Law N 145-VI ( 145-17 ) from March 18, 2008 }
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2. Advertising of alcoholic beverages, trademarks for goods and services, other objects of the intellectual property rights, under which alcoholic beverages are manufactured, is prohibited:

on radio and television from 6 am to 11 pm;

on the first and last pages of newspapers, on covers of magazines and other publications, in all publications for children and minors, on the pages of all printed publications for children and minors;

in all printed mass media (expect specialized publications);  $\{$  In effect as of January 1, 2010  $\}$ 

indoor advertising;

with the help of advertising events (except for special alcoholic

beverage product exhibition events);

on the outside and inside surfaces of public transportation and the metro;

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outdoor advertising. { In effect as of January 1, 2009} { Part 2 of Article 22 in the version of the Law N 145-VI ( 145-17 ) from March 18, 2008 }
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3. Advertising of tobacco products and alcoholic beverages, trademarks for goods and services, other objects of the intellectual property rights, under which tobacco products and alcoholic beverages are manufactured:

shall be prohibited on goods and in printed publications designated mainly forpersons under the age of 18 or in sections designated for the aforementioned person in other printed publications;

shall be prohibited with the use of persons under the age of 18 as photo-models;

shall not include pictures of people smoking tobacco products or consuming alcoholic beverages;

shall not be placed closer than 300 meters in direct visibility from the territories of pre-school establishments, secondary schools and other educational establishments, where children under the age of 18 are studying;

shall not give them impression that smoking or alcohol consumption is an important factor for achieving success in sports, social, sexual or other spheres of life;

shall not give that impression that consumption of alcoholic beverages or smoking of tobacco products will help solve personal problems;

shall not convey the opinion that alcohol or tobacco products have medicinal effects or that they are stimulating or relaxing products;

shall not encourage the consumption of alcoholic beverages or smoking of tobacco products or show a negative attitude to abstinence from the consumption of tobacco products and alcoholic beverages;

shall not include pictures of doctors and other professional medical employees, as well as people whose appearance imitates that of doctors;

 $\{$  Paragraph 11 of Part 3 of Article 22 included as the basis of Law N 145-VI ( 145-17 ) from March 18, 2008  $\}$ 

shall not give the impression that the majority of people smoke or drink alcoholic beverages.

4. Sponsorship of television, radio programs, theatrical-concert, sports and other events with the use of trademarks for goods and services, other objects of the intellectual property rights, under which tobacco products are manufactured shall be prohibited.

It is permitted to sponsor television, radio programs, theatrical-

concert, sports and other events with the use of trademarks for goods and services, under which alcoholic beverages are manufactured.

- 5. Advertising of tobacco products shall be accompanied with the information on the quantitative content of nicotine and tar in one cigarette.
- 6. The following types of activity on advertising alcoholic beverages and tobacco products, trademarks for goods and services, other objects of the intellectual property rights, under which alcoholic beverages and tobacco are manufactured are prohibited:

sponsoring events designated mainly for children under the age of 18, with the use of trademarks for goods and services, other objects of the intellectual property rights, under which tobacco products and alcoholic beverages are manufactured;

distribution and sale of any goods with use of trademarks for goods and services, other objects of the intellectual property rights, under which tobacco products and alcoholic beverages are manufactured to persons under the age of 18.

7. Advertising of tobacco products and alcoholic beverages, as well as trademarks for goods and services, other objects of the intellectual property rights, under which these products and beverages are manufactured, shall be accompanied with warning messages rendering the following: "Smoking may cause cancer", "Excessive consumption of alcohol is harmful for your health". Each warning message shall cover at least 15% of the area (volume) of all advertising. The color of the warning message will be black and the color of the background of the message will be white.

The text of warning messages in outdoor advertising and advertising in printed mass media must be placed horizontally below the advertising image.

 $\{$  Part 7 of Article 22 in the version of the Law N 145-VI ( 145-17 ) from March 18, 2008  $\}$ 

- 8. According to the procedure set forth by Ukrainian laws, advertisers of tobacco products and alcoholic beverages shall spend on production and distribution of social advertising with respect to the harmful effects of tobacco smoking and excessive alcohol consumption at least 5% of the funds spent on their distribution of advertising of tobacco products and alcoholic beverages within Ukraine. Managers of these funds shall provide public reports with respect to their use on a quarterly basis.
- 9. The advertisement of alcoholic beverages, tobacco products, beer and/or drinks that are manufactured based on it, trademarks for goods and services, other objects of intellectual property rights, under which the alcoholic beverages, tobacco products, beer and/or drinks that are manufactured based on it, should not bear pictures of popular figures or directly show popular figures smoking or consuming alcohol, bear and drinks made based on it.

 $\overline{\{}$  Article 22 supplemented by Part 9 in accordance with the Law N 145-VI ( 145-17 ) from March 18, 2008  $\}$ 

#### Article 23. Advertising of Weapons

- 1. Advertising of weapons shall be performed only in respective specialized publications related to weapons or directly in premises of trading facilities (enterprises) selling weapons or at respective exhibitions (events).
- 2. The procedure for advertising fighting weapons, armament and military equipment and machinery, as well as weapons, which according to the Ukrainian legislation may be owned by persons, shall be determined by the Cabinet of Ministers of Ukraine.

# **Article 24.** Advertising of Services Related to the Receipt of Funds from the Population

1. Advertising of services (bank, insurance, investment, etc) related to the receipt of funds from the population or entities performing them is permitted only if there is a special permit or other license available, confirming the right to perform such activities. Such advertising shall include the number of the license, permit, date of issuance and the name of the agency issuing the license, permit.

This provision shall not apply to cases where there is only advertising of a trademark for goods and services, name of the entity (without advertising of services).

2. Advertising of such services or entities performing them is prohibited from providing information on expected dividends, as well as on future profits, except for those actually paid out as the result of at least one year.

#### Article 25. Advertising of Securities

1. Advertising of securities shall be recognized as advertising of: securities issued and/or introduced into circulation; participants in the securities market and their activity; agreements on securities and/or terms of these agreements.

Information, which according to legislation on securities and normative legal acts of the State Stock Market and Securities Commission of Ukraine is subject to mandatory promulgation, shall not be recognized as advertising of securities. { Paragraph 5 of Part 1 of Article 5 with changes introduced according to the Law N 145-VI ( 145-17 ) from March 18, 2008 }

- 2. Advertisers of securities advertising may only be participants in the securities market, envisaged by the Law of Ukraine "On Securities and Stock Exchange" ( 1201-12 ).
- 3. Advertising of advertisers participants of the securities market shall include information on available special permit, license, which confirms the right to perform respective activities at the securities

market, with indication of the number of permit, license, date of issuance and the agency issuing the license, permit.

This provision shall not apply in cases when advertised are trademarks for goods and services of the participant in the securities market without advertising services related to securities.

4. Advertisers of securities, when ordering the production and distribution of advertising, are prohibited from:

indicating profits, which are expected on securities, except for cases where it is necessary to indicate according to the requirements of the legislation on securities, and providing projections with respect to the growth of market cost of securities;

advertising securities before publishing the information on the release of securities and their registration according to the legislation on securities and normative legal acts of the State Stock Exchange and Securities Commission of Ukraine;

using data, which is absent in the information on the release (issue) of securities provided to the State Stock Exchange and Securities Commission of Ukraine.

using information on the income from securities or the amount of the issued securities received in the future without indication of the fact that this profit is not a guarantee of the receipt of income in the future.  $\{$  Part 4 of Article 25 supplemented with a paragraph in accordance with the Law N 3480-IV ( 3480-15 ) from February 23, 2006  $\}$ 

5. If the release of securities is considered as not taking place, the producer (issuer) of such securities shall suspend distribution of advertising of these securities within a three-day period from the moment of registering the report on the consequences of subscription to securities with the State Stock Exchange and Securities Commission of Ukraine.

# Section IV CONTROL OF THE ADHERENCE TO AND RESPONSIBILITY FOR VIOLATIONS OF THE LEGISLATION ON ADVERTISING

Article 26. Control of the Adherence to Legislation on Advertising

- 1. Control over adherence to Ukrainian legislation on advertising is exercised within their competence by:
- a specially authorized central agency of executive power in the field of consumer rights protection with respect to protection of consumer's rights; { Paragraph 2 of Part 1 of Article 26 with changes introduced in accordance with the Law N 145-VI ( 145-17 ) from March 18, 2008 }

the Antimonopoly Committee of Ukraine - with respect to adhering to legislation on protection of economic competition;

the National Council of Ukraine on Television and Radio Broadcasting of Ukraine – with respect to TV/radio organizations of all types of ownership.

the Ministry of Finance of Ukraine - in respect to advertising of state securities; { Part 1 of Article 26 with an additional paragraph in

accordance with the Law N 3480-IV ( 3480-15 ) from February 23, 2006 }

The State Commission on Securities and the Stock Exchange – in regards to advertising on the stock market.  $\{$  Part 1 of Article 26 with an additional paragraph in accordance with the Law N 3480-IV ( 3480-15 ) from February 23, 2006  $\}$ 

2. Upon request of agencies of executive power, which are exercising control over adherence to legislation on advertising, advertisers, producers and distributors of advertising shall provide documents, oral or written explanations, audio- and video recordings, as well as other information necessary for administering their authorities related to control. { Paragraph 1 of Part 2 of Article 26 with changes introduced in accordance with the Law N 145-VI ( 145-17 ) from March 18, 2008 }

State agencies shall inform advertisers, producers and distributors of advertising on examination of cases concerning their violation of legislation on advertising not later than three days prior to such examination, in urgent cases - not later than one day prior to such examination.

3. During examination of issues on violation of the present Law, advertisers, producers and distributors of advertising shall have the right to:

be present at the session of a state agency during examination of issues on their violation of the present Law;

provide the necessary documents, submit explanations;

receive a copy of the minutes of the session and the decision of the state agency approved with respect thereto;

appeal the actions or inaction of an executive agency in the field of control and its officials in court. { Paragraph 5 of Part 3 of Article 26 with changes introduced in accordance with the Law N 145-VI ( 145-17 ) from March 18, 2008 }

- 4. In order to coordinate the activity of subjects of the advertising market, the Cabinet of Ministers of Ukraine shall create the Council on Advertising, which will include representatives of state bodies, associations of citizens, associations of enterprises in the field of advertising. Members of this Council shall work on a voluntary basis.
- Article 27. Responsibility for Violations of the Legislation on Advertising
- 1. Entities guilty of violating legislation on advertising shall bear disciplinary, civil, administrative and criminal responsibility according to the Law.
- 2. Held responsibile for violating legislation on advertising shall be:
  - 1) advertisers guilty of:

ordering advertising of products, whose production and/or circulation is prohibited by the law;

providing invalid information to producers of advertising, which is necessary for producing advertising;

ordering distribution of advertising prohibited by the law;

not adhering to requirements related to the content of advertising set forth by law;

violating the procedure for distributing advertising, if they are independently distributing advertising;

- 2) producers of advertising guilty of violating the rights of third parties while producing advertising;
- 3) distributors of advertising guilty of violating the procedure for distributing and placing advertising as established by legislation.
- 3. In order to protect interests of the society, the state, consumers of advertising and participants of advertising market state agencies, mentioned in Article 26 of the present Law, may turn to court with claims on prohibiting respective advertising and its public disclaimer.
- 4. Upon the application from state agencies, mentioned in Article 26 of the present Law, or independently in cases envisaged by the present Article, except for those within the competence of the Antimonopoly Committee of Ukraine and those regulated by legislation on copyright and related rights, a specially authorized central agency of executive power in the field of consumer rights protection and its territorial bodies in the Crimean Autonomous Republic, oblasts, cities of Kyiv and Sevastopol shall have the right to impose penalties according to the procedure set forth by the Cabinet of Ministers of Ukraine on:

advertisers for taking actions envisaged by Clause 1 of Part two of the present Article - in the amount of five times the costs for distributing such advertising;

producers of advertising for taking actions envisaged by Clause 2 of Part two of the present Article - in the amount of five times the costs for producing such advertising;

distributors of advertising for taking actions envisaged by Clause 3 of Part two of the present Article – in the amount of five times the costs for distributing such advertising. { Paragraph 4 of Part 4 of Article 27 with changes introduced in accordance with the Law N 1033-V ( 1033-16 ) from May 17, 2007 }

Violations committed repeatedly within one year shall entail imposition of a double penalty as compared to the rate envisaged for such violations.

- 5. The cost of distributed advertising shall be calculated from the agreement (contract) price not taking into account amounts of included (calculated) taxes, duties (mandatory payments), set forth by the Law of Ukraine "On Taxation System" ( 1251-12 ).
- 6. For not submitting or submitting invalid information related to the cost of distributed advertising and/or production of advertising and/or the cost of distribution of advertising, which is necessary for administering authorities envisaged by the present Law to a specially authorized central agency of executive power in the field of consumer rights protection and its territorial bodies a penalty of 100 minimum

personal tax-free incomes shall be imposed on advertisers, producers and distributors of advertising.

- 7. If it is impossible to determine the cost of advertising distributed with violations of requirements of the present Law, advertisers, producers and distributors of advertising shall be fined at the rate of up to 300 minimum personal tax-free incomes according to the decision of a specially authorized central agency of executive power in the field of consumer rights protection.
- 8. Decisions on imposing penalties for violation of legislation on advertising at the rate of 300 and more minimum tax-free personal incomes shall be made only by a specially authorized central agency of executive power in the field of consumer rights protection.
- 9. A specially authorized central agency of executive power in the field of consumer rights protection and its territorial bodies may request from advertisers publication of information specifying, supplementing their advertising and turn to court with a claim related to the illegal actions of advertisers, producers and distributors of advertising.
- 10. The Antimonopoly Committee of Ukraine shall impose punishment on advertisers for violation of legislation on protection against unfair competition.
- 11. Decisions on cases related to violation of legislation on advertising may be appealed in court.
- 12. Provisions of the present Article shall not restrict the rights of consumers of advertising to compensation of damages according to Ukrainian legislation, if consumers have sustained damages through unfair advertising and illegitimate comparative advertising.
  - Article 28. Public Disclaimer of Unfair and Illegitimate Comparative Advertising
- 1. Public disclaimer of unfair and illegitimate comparative advertising shall be performed voluntarily or upon a court's decision.
- 2. Public disclaimer of unfair and illegitimate comparative advertising shall be performed at the expense of the guilty entities.
- 3. Public disclaimer of unfair and illegitimate comparative advertising shall be performed in compliance with the same procedure, according to which it was placed.
  - Article 29. Rights of Citizen Associations, Associations of Enterprises in the Field of Advertising

Associations of citizens and associations of enterprises in the field of advertising shall have the right to:

perform independent examination of advertising and normative and legal acts on advertising with respect to their compliance with requirements of Ukrainian legislation and provide respective recommendations to advertisers, producers and distributors of advertising;

turn to agencies of executive power and local self-government bodies on issues related to violations of legislation on advertising;

#### **Unofficial Translation**

file claims in courts in the interests of advertisers, producers and distributors of advertising in the case of violations of their rights envisaged by legislation;

represent their members in state agencies and local self-government bodies.

## Section V FINAL PROVISIONS

1. The present Law shall come into effect as of the date of its publication.

Part 9 of Article 13 enters into effect as of January 1, 2005.

- 2. Part one of Article 4 of the Decree of the Cabinet of Ministers of Ukraine N 7-93 "On State Duty" of January 21, 1993 (Vidomosti Verkhovnoi Rady Ukrainy; 1993, N 13, p.113, N 26, p.281, N 49, p.459; 1994, N 28, p.241, N 29, p.257, N 33, p.300; 1995, N 14, p.90; 1996, N 9, p.43, N 52, p.306; 1997, N 9, p.70, N 18, p.131; 2000, N 19, p.143, N 29, p.232, N 46, p.398, N 50, p.436; 2001, N 24, p.124; 2002, N 6, p.43, N 32, p.223; 2003, N 10-11, p.87, N 14, p.100) shall be added with clause 46 rendering the following:
- "46) a specially authorized central agency of executive power in the field of consumer rights protection and its territorial bodies on claims which they file in court on cases related to violation of legislation on advertising".
  - 3. The Cabinet of Ministers of Ukraine:

shall submit to the Verkhovna Rada of Ukraine suggestions related to amendments of the laws of Ukraine arising from the present Law before October 1, 2003;

shall bring its normative legal acts into conformity with the present Law before January 1, 2004;

shall ensure that ministries, other central agencies of executive power bring their normative legal acts into conformity with the present Law;

shall develop normative legal acts, which should be approved as envisaged by the present Law.

President of Ukraine

L. KUCHMA

Kiev, July 3, 1996 N 270/96-VR