

Preface

The advertisements in the television channels contribute a significant portion of the revenue for the broadcasters. While for the FTA channel broadcasters, it is the only source of revenue, advertisements account for 71% of the revenue for pay channel broadcasters. Thus, there is a natural tendency to push more advertisements by the broadcasters in their television programmes. The increasing duration and distracting formats of advertisements adversely affect the consumers' viewing experience. This has been reflected in consumer complaints and opinions being expressed at various fora.

With the primary objective of striking a balance between giving a consumer a good viewing experience, and protecting the interests of all the stakeholders of the television industry, TRAI, *suo motu*, is taking up a review of existing regulations on duration of advertisements and the format of their presentation in television channels in India. This consultation paper discusses the issues related to advertisements in television channels in the country and brings out a proposal for regulation of duration and format of advertisements, for consultation with all the stakeholders. The full text of the consultation paper is also available on TRAI website - www.trai.gov.in.

In line with established practice, all stakeholders are requested to benefit the Authority with their valuable comments by 27th March 2012. Counter comments, if any, on the comments received may be sent by 2nd April 2012. The comments and counter comments received would be posted on the TRAI website. For any clarification/information, Shri Wasi Ahmad, Advisor (B&CS), TRAI may be contacted at Telephone No. +91-11-23237922, Fax No. +91-11-23220442 or email at advbcs@traigov.in

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Introduction

- (i) The Telecom Regulatory Authority of India (TRAI), established under the Telecom Regulatory Authority of India Act, 1997(24 of 1997) has been entrusted with discharge of certain functions, *inter alia*, to regulate the telecommunications services and to protect the interests of service providers and consumers of the telecom sector. Government of India, in the Ministry of Communication and Information Technology Gazette Notification NO. 39, dated 9th January 2004, attached as Annexure III, has notified the Broadcasting Services and Cable Services to be Telecommunication Services thereby bringing the regulation of Broadcasting and Cable TV services under the ambit of TRAI. Further, the Ministry of Communication and Information Technology, vide an Order in the said notification, has entrusted certain additional functions to the TRAI which, amongst others, include making recommendations for parameters for regulating maximum time for advertisements in pay channels as well as other channels.
- (ii) Since the dawn of the television, advertisements have been used to promote a wide variety of goods and services. Advertisements provide for a significant portion of the revenue of the television industry. The broadcasters of the free to air channels (FTA Channels¹) rely solely on the advertisements as their source of revenue, while the pay channel² broadcasters have twofold source of revenue in the form of advertisement and subscription revenues.
- (iii)The consumers are presently fed with content feeds interlaced with the advertisements within and in-between the various programmes aired by the broadcasters in their channels as well as MSOs and local cable operators in their local/video channels. The majority of television advertisements consist of

¹ FTA Channel: A channel for which no fees is to be paid to the broadcaster for its re-transmission through electromagnetic waves through cable or through space intended to be received by the general public either directly or indirectly.

² Pay channel : A channel for which fees is to be paid to the broadcaster for its retransmission through electromagnetic waves through cable or through space intended to be received by the general public either directly or indirectly.

advertising spots, info-commercials and self-promotional campaign in various formats ranging in length from a few seconds to several minutes.

(iv) The extant provisions concerning the duration and format of advertisements in the TV channels prescribe that no programme shall carry advertisements exceeding 12 minutes per hour, which may include up to 10 minutes per hour of commercial advertisements, and up to 2 minutes per hour of a channel's self-promotional programmes. It also provides that all advertisements should be clearly distinguishable from the programme and should not in any manner interfere with the programme viz., use of lower part of screen to carry captions, static or moving alongside the programme.

(v) There have been several complaints from different quarters, including the consumers, regarding overplaying of advertisements, long duration of advertisements, overlaying of advertisements on the screen, increased audio level during advertisements etc. and the same has been raised at various fora. It has also been articulated that the advertisement duration and formats are not in accordance with the provisions stated above. It has often been pointed out that the advertisements are played/ repeated several times in between the programmes, which break the continuity of the programme and often done at crucial stages of a programme. In this context, there have been requests to at least restrict and regulate the duration, frequency and timings of the advertisements, especially on pay channels. Some of the consumer organizations put forth the opinion that since they pay subscription fees for viewing pay channels, there is little justification for these channels to show advertisements.

(vi) With the primary objective of striking a balance between giving a consumer a good TV viewing experience, and protecting the commercial interests of broadcasters, an attempt has been made through this consultation paper to discuss various issues related to advertisements on TV channels in India and bring out a proposal for regulation of duration and format of advertisements, for

consultation with all the stakeholders. The consultation paper, after analysing various issues, brings out a proposal for regulating advertisement duration and format in TV channels for consultation with the stakeholders. The regulatory provisions regarding advertisements in the TV channels in various international markets have been briefly summarised and annexed as Annexure I.

Advertisement Duration and Format

1.1 Television, which is perceived to be an affordable source of entertainment and information as well as a mass medium of communication and education, should not be transformed into a mere tool for marketing with the ever increasing trend of pushing more and more advertisements by the broadcasters in their channels. The contents on the channels are interlaced with the advertisements within and in-between various programmes. The majority of television advertisements comprise of advertising spots, info-commercials and self-promotional campaign in various formats ranging in length from a few seconds to several minutes. Another trend has been the airing of advertisements that encroach upon the screen space meant to present the programme content. While the consumers tend to buy bigger and higher resolution screens to enjoy the best possible near life size images and clarity in programmes, they end up viewing larger than life commercials sharing the screen. All these factors, coupled with the fact that the consumer does not have a choice to skip these advertisements, not only adversely affect the overall viewing experience of the consumers but also defeat the very purpose of television as a mass media. To address these issues, arises the need to review the existing regulatory provisions regarding advertisements in TV channels in India.

1.2 The TV advertisements (the non-programme content) in the Indian context, may be broadly classified as commercial and self-promotional (for promoting programmes of the same channel) and educational (for public awareness/interest) in nature. These may be categorised into two broad categories based on their format of presentation- full screen and part screen/split screen advertisements. In the full screen advertisements, the programme is interrupted and the advertisement occupies the full screen. These are generally fed through the commercial breaks. In case of part screen advertisements, the advertisement shares the screen space with the regular programme content. In

this case, the size of the programme screen is reduced and either a bar at the sides or bottom or a combination thereof is used to feed the advertisements. Part screen advertisements could also be in the form of miniaturised video clips, generally displayed without audio, overlapping the regular programme. The different forms of part screen advertisements are Picture-in-Picture(PIP), pop-ups, scrolls, tickers etc. The examples of this form of advertisements are the ones, in the bottom portion of the screen in news channels, in the left and bottom portion of the screen in a live cricket telecast when the bowler is preparing to bowl, pop ups or falling images during movies, self-promotional video clips of upcoming programmes etc.

1.3 Prior to going into the regulatory aspects of the advertisements with respect to their duration, scheduling, formats etc., it may be pertinent to analyse as to why more and more advertisements are being fed with the programme content despite the fact that pushing advertisements beyond a point may also prove to be detrimental to the popularity of a channel as too many advertisements and frequent breaks for the same could be a potential irritant to the consumers.

1.4 The revenue of the broadcasters of pay channels basically has two components i.e. advertisement revenue and subscription revenue whereas for the broadcasters of FTA channels the advertisement revenue is the sole source of revenue. The industry reports suggest that advertisement revenue is the prime source of revenue for the broadcasters. As per the FICCI-KPMG Indian Media and Industry Report 2011, in the year 2010 the advertisement revenue was Rs. 10,300 Cr which constitutes 35% of the total revenue of the TV industry. The report further mentions that the advertisement revenue has grown steadily over the years from Rs.7,100 Cr in the year 2007 to Rs.10,300 Cr in the year 2010 at an average growth rate of 13%. Another industry report, Asia Pacific Pay TV and Broadband Market 2011, published by Media Partners Asia indicates that the advertisement revenue has grown steadily from \$ 771.7 million (~Rs. 3,855 Cr) in the year 2003 to \$ 2056 million (~Rs. 10,280 Cr) by the year 2010 and the same was projected to grow to \$ 2423.8 million (~Rs. 12,115 Cr) by the end of year 2011,

at an average growth rate of 15.3%. The same is depicted in the graph below (Figure 1):

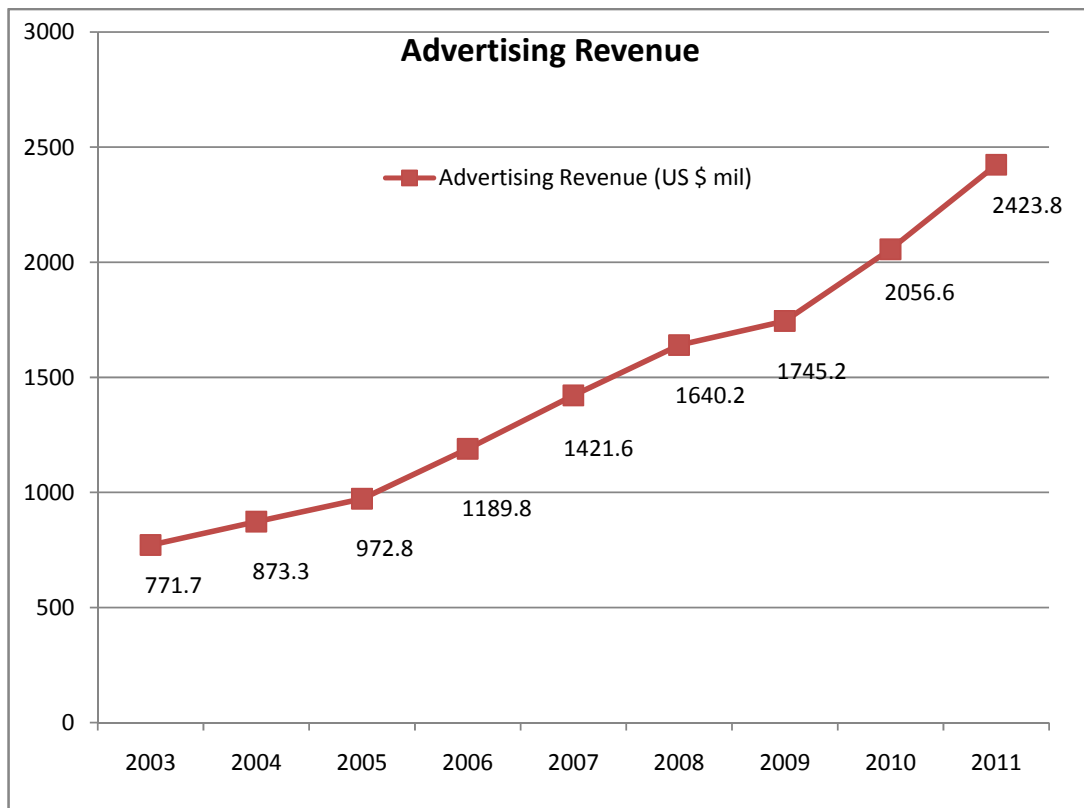


Figure 1: Total Pay-TV Industry Advertising Revenue

(Source: Asia Pacific Pay TV and Broadband Market 2011)

1.5 The television broadcasters are substantially dependent on the advertising revenues for the viability of their business models. The TV industry size is split 66:34, in the favour of subscription revenue at the retail level. Whereas, the income of major broadcasters is roughly in the ratio of 35:65 in favour of advertisement revenues. The charts below (Figure 2(a) & 2(b)) depict the same. The prime reason of this split in favour of the advertisement revenue, for the broadcasters, is the non-addressable nature of the cable TV networks, which forms the bulk of the cable & satellite TV universe in India. The non-addressability has led to gross under declaration of the subscriber base and has resulted into a limited pass through of the subscription revenue to the broadcasters. Thus, there is an increasing tendency on part of the broadcasters to

meet out their costs and optimize profits through the advertisement revenue by pushing more and more advertisements within and during the popular programmes.

1.6 To address the constraints of non-addressable TV systems, TRAI had given its recommendations on the “Implementation of Digital addressable Cable TV systems in India” in August 2010. The Govt has accepted the recommendations. The necessary amendments to the Cable Television Networks (Regulation) Act, 1995, have also been notified vide gazette notification dated 30th Dec. 2011. The Govt has also notified the timelines, on 11th Nov. 2011, for the implementation of digital addressable cable systems in India, in a phased manner in four phases. The sunset date for analog systems for the first phase covering the four Metros is 30th June 2012 and that for the fourth and the final phase, covering whole of India, is 31st Dec. 2014. With the proliferation of the addressable cable TV systems in the country, the dependence of the broadcasters of pay channels on advertisement revenue would go down.

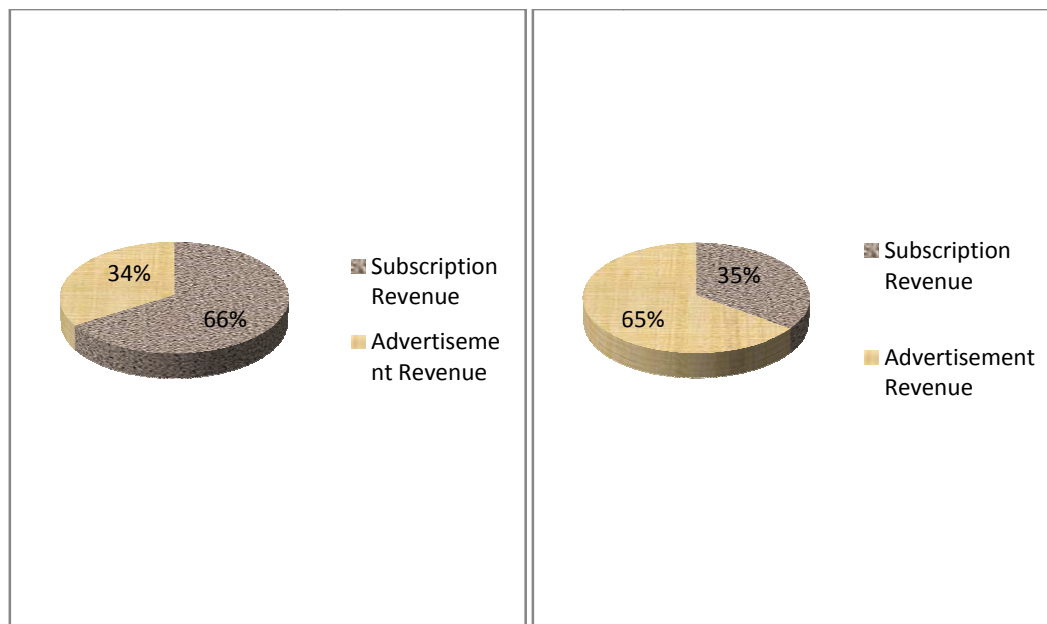


Figure 2(a): Overall TV Industry Revenue **Figure 2(b):** Revenue split for Major Broadcasters

1.7 The extant provisions concerning the duration and format of advertisements in the TV channels prescribe that no programme shall carry advertisements exceeding 12 minutes per hour, which may include up to 10 minutes per hour of commercial advertisements, and up to 2 minutes per hour of a channel's self-promotional programmes. It also provides that all advertisements should be clearly distinguishable from the programme and should not in any manner interfere with the programme viz., use of lower part of screen to carry captions, static or moving alongside the programme.

1.8 There have been several complaints from different quarters, including consumers, regarding increasingly higher advertisement durations and breaks in case of full screen advertisements and frequent part screen advertisements in distracting advertisement formats. The other characteristics of the advertisements that could be possible irritants are, the higher sound level of the advertisements compared to the programme, overplaying of the same advertisement, insertion of advertisements that often cut into certain parts in the programme that are either climaxes of the plot or major turning point of the programme and the advertisements occupying disproportionate screen space in case of part screen advertisements. These issues have been raised at various fora with a request for regulating the duration, frequency and format of the advertisements in the TV channels.

1.9 The Centre for Media Studies (CMS), Delhi, has carried out studies regarding the cluttering of TV screen by advertisements and various type of programme content such as captions, data, graphics etc. and the duration of advertisements carried during prime time by leading news channels in India. Regarding the cluttering of screen, following observations have been made :

"

....The whole screen of news bulletin is so jumbled/cluttered and overloaded that it is difficult to make out and distinguish as to which part of

the screen is news, advertisement, opinion or an announcement. And, this is usually in the entire duration of the bulletin, not just at any one point.

....on an average there are 5 points of information or elements- while the logo and the anchor are usually stable and common information elements, the other 3 are two moving scrolls, usually at the bottom of the screen, an additional box of information that is generally some score or promotion or even an advertisement. However, there are some screens which have almost 9 to 11 points of information at any given time.

....in the past few years, television news channels have begun to reformat their screen presentations to include scrolling screens, sports scores, stock prices, current weather news and even advertisements. hence no matter which channel one turns to on television, there is high likelihood of finding visual elements that seems to clutter the screen - making it difficult to focus on one thing.

It is getting to the point where everything in TV news has an on screen tag, and the packaging is so thick one can hardly find the content.

....The assumption of channels seems that most viewers can simultaneously read, listen and see on the screen, various elements of information that are not always connected or interrelated. While some viewers may be comfortable with the crowding if the elements are all related to the same topic, most news bulletins have multiple, incongruent elements like a stock ticker, sports score, advertisement and headlines unrelated to the main topic- resulting in information overload.

.... putting more visuals, more text and lines and boxes and graphics and, sometimes, in assorted colours reduce the focus and attention level.

Screen clutter can be extremely eye catching, especially for the viewer who surfs between several channels. However, psychological research in US suggests that packed screens can impede comprehension. For people who are looking for quick information like stock quotes or whether update a certain

amount of clutter is comprehensible. But, if a viewer is trying to listen to a reporter describing a complicated series of events, it is very difficult to absorb that information with too great a visual onslaught.

Researchers know that when words appear on screen, most people read them. The “fixed” time and temperature bits may be easy to ignore but that doesn’t hold true for story slugs, name ID’s, advertising plates and local headlines that change throughout the newscast. Each new line of text is a potential distraction, pulling the viewer’s attention away from the substance of the newscast.

.....”

1.10 Regarding the duration of advertisements carried in six major news channels over the last 4 years, the study reveals that on an average around 35% of the prime time (7pm to 11pm) of the news broadcasters is just advertisements, against the per hour limit of 20% prescribed in the existing regulations. The maximum yearly average has been found to be as high as 47.4%. The graphs below depict the year-on-year percentage averages of advertisement and programming periods, during the prime time (7pm to 11pm), from year 2008 to 2011, for the six channels undertaken in the study.(Figure 3(a) to 3(d))

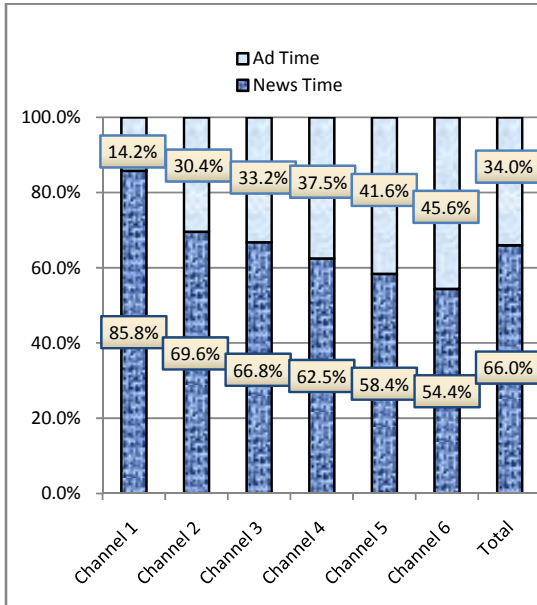


Figure 3(a): 2008

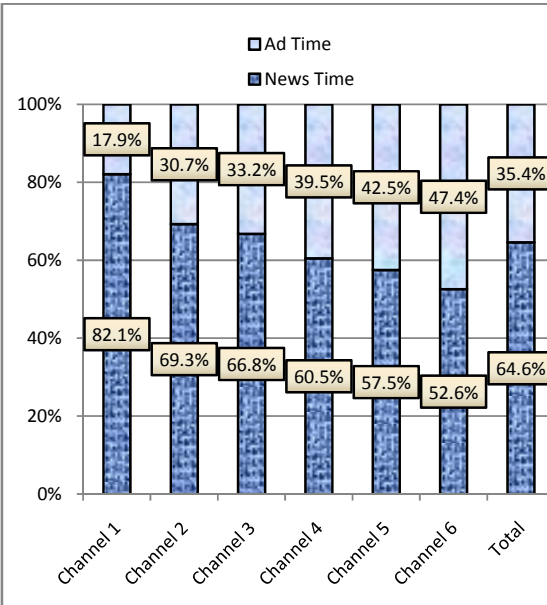


Figure 3(b): 2009

Percentage of News Time and Advertisement Time in the News Channels

(Source- CMS Media Labs)

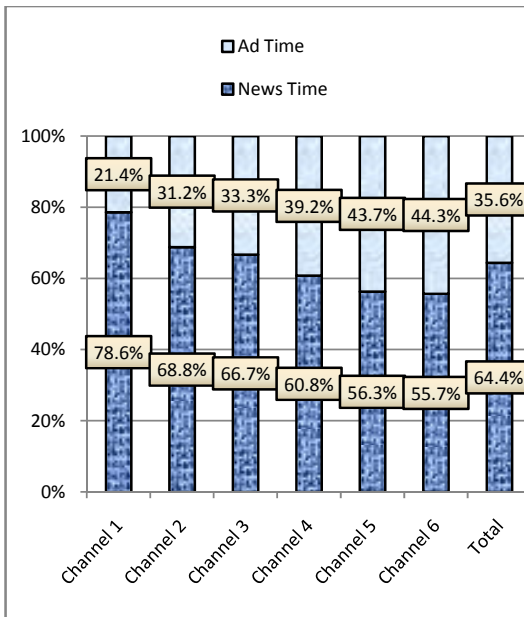


Figure 3(c): 2010

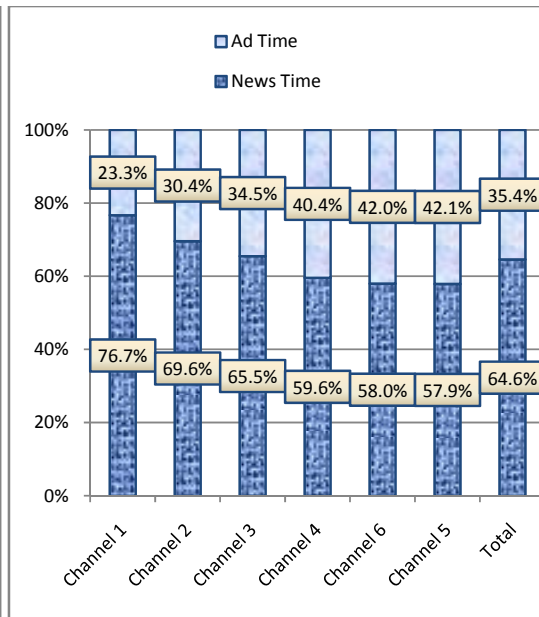


Figure 3(d): 2011

Percentage of News Time and Advertisement Time in the News Channels

(Source- CMS Media Labs)

1.11 The study of the regulatory provisions regarding television advertisements in the major international markets attached here as Annexure-I, indicates that almost all the important countries in the world have the codes in place to regulate the duration and scheduling of the television advertisements. Some of the provisions on the aspects of duration and scheduling of advertisements, that may be of interest in the Indian context, are enumerated as under :

- i. The overall duration of advertisements in most of the markets is around 20% of the total programme time i.e. 12 minutes per hour
- ii. Different limits for advertisement's duration for different hours of the day (Australia and UK, Sweden) and different limits for advertisement's duration for weekdays and weekends (USA)
- iii. The defined averaged out duration of commercials per hour is less than the maximum permissible duration of commercials during an hour (European Union Directive)
- iv. Restriction on number of breaks depending upon the duration of the programme. Films and news programmes may only include one advertising or teleshopping break for each scheduled period of at least 30 minutes. (UK)
- v. In-programme advertisements be inserted, preferably, where natural breaks occur (UK, Norway, TVWF Directive³)
- vi. The sound level of the advertisements must not be higher than the sound level of rest of the programmes (France)
- vii. Prohibition of commercials on pay services (pay television and pay-per view) which are entirely financed by subscription fees(Canada)
- viii. Stricter norms for advertisements played during children's programmes (Australia, UK)

³ TVWF Directive: The "Television Without Frontiers" Directive (TVWF Directive) is the cornerstone of the European Union's audiovisual policy. It rests on two basic principles: the free movement of European television programmes within the internal market and the requirement for TV channels to reserve, whenever possible, more than half of their transmission time for European works ("broadcasting quotas"). The TVWF Directive also safeguards certain important public interest objectives, such as cultural diversity, the protection of minors and the right of reply.

1.12 As far as television advertising in the Indian market is concerned, the consumers, in their complaints, have been sceptical about the manner of calculating the duration of advertisements per hour by the channels. It has often been alleged that even if the total advertisement time over a period of 24 hours is averaged out for an hour, still it exceeds the permissible limits. It has further been expressed that the advertisement durations during the telecast of popular programmes/programmes in the prime time, far exceeds the permissible limit of 12 minutes per hour. The CMS study referred in Para 1.10 also indicates the same. In order to bring in better clarity and ease of enforcement, it may be more appropriate that the limits for the duration of the advertisements be regulated on a clock hour basis i.e. the prescribed limits be adhered to on clock hour basis.

1.13 The current tariff structure of the broadcasting sector originated from the historical pricing of the channels, which in turn were determined by the market forces at that point of time and the advertisement revenue was an intrinsic part of the business models of the broadcasters of both pay and FTA channels. Therefore, under the current tariff regime, totally doing away with the advertisements even in the pay channels may not be a plausible alternative. A separate determination in terms of tariff stipulations and interconnection provisions may be required for advertisement-free channels. The Authority has already taken up this matter for consultation with the stakeholders as part of the consultation paper titled “Issues Related to Implementation of Digital Addressable Cable TV Systems” dated Dec. 22, 2011.

1.14 As stated earlier, the broadcasters of the pay channels have dual revenue source in the form of subscription and advertisement revenue whereas the broadcasters of FTA channels are dependent solely on the advertisement revenues. In the case of pay channels, the pass-through of the subscription revenue to the broadcasters will improve commensurate to the proliferation of the digital addressable systems. Therefore, for viability, since the dependence of the FTA channels on the advertisement revenues is more as compared to the pay

channels, the quantum of advertisement permitted in FTA channels may be more than the pay channels in terms of duration of the advertisements.

1.15 As far as the consumer is concerned there is no channel without subscription charges, be it a part of the bouquet, basic service tier of FTA channels or offered in a-la-carte form in addressable platforms. However, as the carriage service provider is getting the FTA channel free of cost from the broadcaster, it is being offered to the consumers at a comparatively lesser charge as compared to pay channels. Therefore, it is natural from the consumer's perspective to expect a much better viewing experience, in terms of lesser advertisements, in the pay channels.

1.16 At present there are around total 825 channels permitted by Ministry of Information and Broadcasting, of which around 670 channels are operational. There are around 163 pay channels being reported to TRAI, therefore the remaining 507 channels may be taken as Free- to-Air (FTA).

1.17 As per the Media-partners-Asia (MPA) Report "Asia-pacific pay-TV and Broadband Markets 2011", the Advertisement revenue as a percentage of the total revenue, for the pay channels, is declining over the years. This percentage was 76.33% in the year 2007 which has gradually come down to 71.97% in the year 2011. The same is depicted in the chart below (Figure 4). It may therefore be inferred that the dependence of the pay TV channels on the advertisement revenues is continuously declining. The digitization of the sector is further expected to substantially increase the subscription revenues of the pay channels, which is further going to reduce this dependence commensurate to the level of inroads of digitization in the coming years. In the year 2011, the advertisement revenue for the pay channels was 71.97% of the total pay channel revenues or we may say the dependence of the pay TV channels on advertisement revenues was 71.97% as against this dependence being 100% for the FTA channels where the advertisement revenue is the sole source of the revenue. Hence, if the advertisement duration per clock hour in the FTA channels is prescribed to be 12

minutes (the existing per hour limit as per the regulations), the corresponding limit for the pay channels may be kept at around 6 minutes taking into account the fact that the dependence of pay TV channels on advertisement revenues is expected to go down in the coming years.

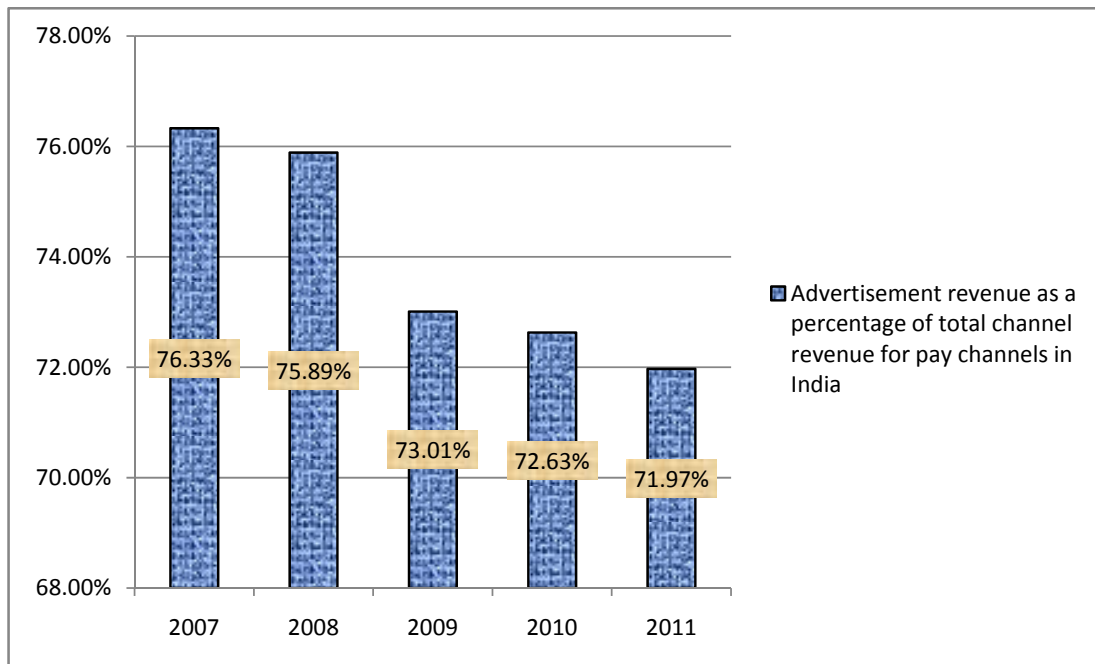


Figure 4: Advertisement revenue as a percentage of total channel revenue for pay channels in India.

(Source: MPA Report 'Asia pacific Pay-TV & Broadband Markets 2011')

1.18 Apart from the duration of the advertisements, the other concerns from the perspective of the consumer's viewing experience is the frequency of advertisements, their timing and audio levels. The frequency as well as the timings of the advertisement breaks to a large extent determines the extent to which they contribute to be the irritants in the consumer viewing experience. For example, the advertisement breaks which cut into certain portions of the programme that are either climaxes of the plot or major turning points may prove to be a greater irritant as compared to the ones which coincide with natural interruptions in the programmes or spaced at adequate time intervals with

respect to the attention span of the consumers. Therefore in order to strike a balance between the consumer's viewing experience and the interest of broadcasters, with a view to keep the operations viable, there is a need to regulate these parameters.

1.19 Let us first take the issue of frequency of advertisement breaks. Presently, most of the TV channels in India, insert advertisements very frequently. Frequent advertisements break the continuity of the programme to such an extent that it jeopardises its integrity. Impact of frequent breaks is more pronounced in case of films. To address this aspect, a number of international markets have regulated the frequency of the advertisement breaks in the TV channels. Keeping in view the above factors and the international trend, it may be appropriate if the minimum time gap between two consecutive advertisement breaks is kept 15 minutes and in case of movies there may be at the most 3 advertisement breaks with a minimum gap 30 minutes between consecutive breaks.

1.20 In case of telecast of live events, the scheduling of the advertisements is more crucial. In case the advertisement breaks cut into the live action, the viewer is likely to miss important information/moments of the event which may badly jeopardise the viewing experience of the consumer and defeat the very purpose of live telecast. This is more likely in case of live telecast of sporting events. This, however, can be addressed to a large extent if the advertisement breaks coincide with the breaks/interruptions in the event being telecast. In case of sporting events these breaks could be the half time in football or hockey match, lunch, drinks break in cricket matches, set change in case of lawn tennis etc. Therefore, it may be appropriate that the advertisement breaks in the live telecast of sporting events are scheduled to coincide with the natural breaks in the event.

1.21 While viewing a programme the consumer normally adjusts the audio level according to his preferences so if the audio level of the advertisements overshoots that of the programme, it unnecessarily requires adjustments in the audio levels, time and again, putting the consumer to uncalled for inconvenience.

Thus, it may be appropriate that the audio level of the advertisements should, in no case be higher than the audio level of the programme.

1.22 From the independent study mentioned at Para 1.9, it is quite obvious that cluttering of the TV screens may not be a desirable trend as far as the consumers viewing experience is concerned. However, in case of news channels at times there may be a necessity to use a portion of the screen during a live programme to display some important information of non-commercial nature such as some important news, reporting of natural calamity, any other event of national and international importance etc. For these purposes a maximum of 10% of the bottom portions of the screen may suffice, which may be used for displaying these non commercial information of vital importance.

1.23 A propos the above, with regard to the regulation of advertisements in TV channels in India, the Authority proposes the following stipulations. The stakeholders are invited to offer their comments on these stipulations.

- i. The limits for the duration of the advertisements shall be regulated on a clock hour basis i.e. the prescribed limits shall be enforced on clock hour basis.**
- ii. No FTA channel shall carry advertisements exceeding 12 minutes in a clock hour. For pay channels, this limit shall be 6 minutes.**
- iii. The 12 minutes of advertisements will not be in more than 4 sessions in one hour. In other words, there will be continuous airing of the TV show for at least 12 minutes each. Not more than three advertisement breaks shall be allowed during telecast of a movie with the minimum gap of 30 minutes between consecutive advertisement breaks.**
- iv. In case of sporting events being telecast live, the advertisements shall only be carried during the interruptions in the sporting action e.g. half time in football or hockey match, lunch/ drinks break in cricket matches, game/set change in case of lawn tennis etc.**

- v. There shall only be full screen advertisements. Part screen advertisements will not be permitted. Drop down advertisements will also not be permitted.
- vi. In so far as News and Current Affairs channels are concerned, they are allowed to run not more than two scrolls at the bottom of the screen and occupying not more than 10% of the screen space for carrying non-commercial scrolls, tickers etc.
- vii. The audio level of the advertisements shall not be higher than the audio level of the programme.

Note: To better understand and appreciate the viewpoint/comments it is essential that the same are supported with appropriate reasoning.

International Scenario

- 1.1 The provisions/practices related to advertisements and its duration and scheduling in some of the major international markets, that are relevant to this consultation are as under:

Asia-pacific Region:

*Australia:*⁴

- 1.2 In Australia, on any day the average duration of advertisements cannot be more than 13 minutes per hour between 6 pm and midnight and during other periods 15 minutes per hour. Further, in any particular hour the advertisements cannot be more than 15 minutes between 6 pm and midnight with a condition that it would not be more than 14 minutes per hour in any of the four hours between these periods. There is certain concession during the election period. The restrictions on advertisements are more stringent during pre-school children's classification zone (P) and children's classification zone (C) periods, where no commercial may be broadcast in the P period and not more than 5 minutes of commercials and one minute of general classification zone (G) programme promotions, per 30 minutes in C periods.

Malaysia:

- 1.3 The duration of a typical break differs between local and foreign programmes.
- 1.4 Malaysian television stations are permitted to broadcast around 20 minutes of television advertisement per hour with 10 - 15 advertisement per commercial break.

Philippines:

- 1.5 The advertising is self-regulated by individual broadcasters. The Association of Broadcasters of the Philippines, a self-regulatory organization representing

⁴ Source: Commercial TV Industry Code of Practice, January 2010

most television and radio broadcasters in the country, limit advertising to 18 minutes per hour, a move taken to help "promote public interest."

- 1.6 Cable television may include advertisements and other similar paid segments for which the cable television operator may charge and collect reasonable fees. Such paid segments shall not exceed ten (10) minutes per hour of programme. It is further provided, that said advertisements and similar paid segments shall be exhibited or shown at the start and/ or end of the programme.

New Zealand:

- 1.7 All major New Zealand television channels, whether state-owned or private, screen advertisements, carry advertisements on an average upto 15 minutes in an hour. There are usually two advertisement breaks in a half-hour programme, and four advertisement breaks in an hour-long programme.
- 1.8 Television advertisements are banned on Christmas Day, Good Friday, Easter Sunday, and also on Sunday mornings before midday (although TV3 did broadcast adverts on Sunday mornings during the 2007 Rugby World Cup). Also, advertising of certain products is restricted (e.g. alcohol, unhealthy foods) or banned (e.g. tobacco).

North America:

USA:⁵

- 1.9 The FCC generally does not regulate the duration of advertisement and its formats. It only regulates the amount of advertisements in the children's television programming to 10.5 minutes per hour on weekends and 12 minutes per hour on weekdays. These requirements apply to television broadcasters, cable operators, and satellite providers. These limitations are prorated for programmes that are shorter than one hour in duration. The programming at issue for the commercial time limits is programming originally produced and aired primarily for an audience of children 12 years old and younger. In addition, the FCC's limit on the amount of commercial matter (10.5 minutes per

⁵ Source: <http://www.fcc.gov/guides/childrens-educational-television>

hour on weekends and 12 minutes per hour on weekdays) applies to all digital video programming, free or pay, directed to children 12 years old and under.

1.10 The non-commercial educational channels are generally prohibited from airing commercials.

*Canada:*⁶

1.11 In Canada, the limit on the amount of time most broadcasters can air commercials are as under:

- Specialty services⁷: 12 minutes per hour
- Pay services (pay television and pay-per-view): don't carry advertising
- TV stations: no limits

These time limits don't include the promotion of Canadian programmes, public service announcements, political ads, product placements within a TV programme and virtual advertisements⁸.

*European Countries:*⁹

*United Kingdom:*¹⁰

1.12 The total allowance for advertising and teleshopping spots must not exceed a daily average of 12 minutes an hour for every hour of transmission time across the broadcasting day. Within this, the maximum daily average for advertising spots is 9 minutes an hour across the broadcasting day.

1.13 Where advertising or teleshopping is inserted during programmes, television broadcasters must ensure that the integrity of the programme is not prejudiced, having regard to the nature and duration of the programme, and where natural

⁶ Source: http://www.crtc.gc.ca/eng/info_sht/b300.htm

⁷ Speciality channel can be a commercial broadcasting or non-commercial television channel which consists of television programming focussed on a single genre, subject or targeted television market at a specific demography.

⁸ Virtual Ads: Virtual advertising places advertising within a TV program, not during a normal commercial break. Virtual ads are often used for large sports events.

⁹ http://ec.europa.eu/avpolicy/docs/library/studies/finalised/bird_bird/pub_resume_en.pdf

¹⁰ Source: <http://stakeholders.ofcom.org.uk/binaries/consultations/rada/statement/statementcode.pdf>

breaks occur. Films and news programmes may only include one advertising or teleshopping break for each scheduled period of at least 30 minutes.

1.14 Number of internal breaks permitted in programmes on channels other than public service channels are given in table 1.

Scheduled duration of programme	Number of breaks
< 26 minutes	One
26 - 45 minutes	Two
46 - 65 minutes	Three
66 - 85 minutes	Four
86 - 105 minutes	Five
106 - 125 minutes	Six

Table 1: Number of internal breaks permitted in programmes on channels other than public service channels

Austria:

1.15 For the private broadcasters, the regulations regarding insertion of advertisements in and between programmes contain provisions similar to the ones in the directive TVWF (relevant extract of TVWF Directive is placed at Annexure-II) and further provide that advertising and teleshopping shall not be inserted in any broadcast of a religious service, news, current affairs programmes and children’s programmes. Only news and current affairs programmes and documentaries may be interrupted by advertising provided their duration is longer than 30 minutes.

1.16 The provisions on maximum amount of advertising are same as given in the TVWF directive. There are no specific regulations regarding split screen advertising technique.

Denmark:

- 1.17 The advertisements must be inserted in blocks between programmes. The Danish law does not allow the programmes to be interrupted by advertising breaks.
- 1.18 Advertising may occupy a maximum of 15% of daily transmissions and a maximum of 12 minutes per hour. There is no specific legislation regarding split screen advertising technique.

Spain:

- 1.19 The time devoted to advertising per hour must not exceed 17 minutes, or 12 minutes if self-promotion is excluded. This is a general limitation, although some Autonomous Communities have set lower thresholds. There are no specific regulations concerning split screen advertising technique.

Finland:

- 1.20 For the private broadcasters, the provisions regarding rules on insertion of advertisements in and between programmes and the maximum amount of advertising are same as the ones in TVWF directive. However, the time limits specified for maximum amount of advertising shall neither include announcements made by the broadcasters in connection with its own programmes and ancillary products directly derived from those programmes nor public service announcements and charity appeals broadcast free of charge. There is no specific regulation regarding split screen advertising technique.

France:

- 1.21 In case of private channels, the insertion of advertising messages is permitted by interrupting programmes subject to certain conditions (identical to those laid down by the TVWF Directive). There are different rules about cinema services and pay-as-you-view, which must not include advertising messages.
- 1.22 The time devoted to the broadcasting of advertising messages must not exceed 6 minutes per antenna hour as a daily average in radio-wave broadcasting and 9 minutes in cable or satellite broadcasting. In addition, it must not exceed 12

minutes in any given hour, whatever the means of transmission. However, in case of channels intended to convey information about communal, intercommunal or local life, CSA (Regulatory body in France) may permit longer times of advertising messages by cable or satellite. In case of services restricted to national territory the durations may be fixed at 12 minutes per antenna hour as a daily average, and must not exceed 15 minutes in any given hour. The CSA forbids the split screen advertising technique.

- 1.23 The the decree of 27 March 1992 which lays down the general principles for the scheme applicable to advertising and sponsorship prescribes that the sound level of the announcement of advertising sequences must not be higher than that of the rest of the programme.

Germany:

- 1.24 The television programmes longer than 45 minutes may contain advertising and teleshopping spots once; this applies also if the programme is divided. Advertising and teleshopping spots may be inserted only between the autonomous parts or in the intervals in case that the events and performances broadcasted contain intervals. In case of the broadcast of sport events containing intervals, advertising and teleshopping spots may only be inserted in the intervals.
- 1.25 For commercial broadcasters the rules of the Directive TVWF apply for the maximum amount of advertisement. The split screen advertising technique is regulated according to Art. 7 Abs. 4 RStV (German Broadcasting Law).

Ireland:

- 1.26 The advertising and teleshopping material are permitted to be inserted between and during the programmes and is governed by the conditions provided in directive TVWF.
- 1.27 For the independent broadcasters, commission of Ireland may make different rules regarding maximum amount of advertisement with respect to the different classes of broadcasting service. There are no specific rules regarding split screen advertising technique under Irish law or guidelines.

Italy:

- 1.28 The regulations in Italy reiterate the same rules on the modes of insertion between and within programmes as the TVWF Directive. However, no advertising is to be introduced into animated cartoons.
- 1.29 For the private broadcasters, at national level, the broadcasting of advertising messages must not exceed 15% of the daily transmission time and 18% of any hour. Whereas, at local level, it must not exceed 20% of the programming time and 15% as a daily average of the total antenna time, and any exceptional excess, which must be no more than 2% during any given antenna hour, must be compensated during the preceding or the following hour. Any possible excess must not exceed 2% during any hour and must be made up for during the previous or the following hour. Thus, the maximum daily transmission times for national televisions of the private sector are 15% and 20% for local televisions. These percentages can be increased to 20% for national broadcasters and to 35% for local broadcasters provided, however, that they do not exceed 72 minutes of advertising as a daily average.

Netherland:

- 1.30 For the commercial broadcasting, the rules regarding insertion of advertisement are similar to the provisions of the TVWF Directive. The determination of the programme duration is done on the basis of a net-approach (the duration of the programme is determined by its length without commercial breaks or other breaks).
- 1.31 For the commercial broadcasting, the rules regarding maximum amount of advertising are identical to the Directive TVWF. There is no specific regulation regarding split screen advertising technique and the Dutch Media Authority has issued a negative advice on the use of this technique.

Sweden:

- 1.32 The insertion of advertising is allowed in between 2 completed parts of a programme and their duration has to be 20 minutes minimum. However, it is

prohibited to insert advertising in religious programmes or in programmes addressed at children below 12 years.

- 1.33 The maximum amount of advertisements permitted is 8 minutes in 1 hour (between 7pm and 12pm this can exceptionally be extended to 10 minutes). It is further provided that the daily proportion of advertising shall not exceed 10%. There are no specific rules regarding split screen technique.

Norway:

- 1.34 The transmission of audiovisual works such as films and films made for television (including programmes and series based on fiction), may be interrupted by advertising provided that the duration of the interruption last more than 20 minutes. In programmes such as transmissions of theatre and concert events, advertising shall only be inserted at natural breaks. The same apply for sports events and other programmes consisting of autonomous parts, provided that autonomous parts last for at least 20 minutes. It is not allowed to insert advertising in children's programmes.
- 1.35 The provisions laid down in the Norwegian Broadcasting act are the same as the ones of the directive TVWF regarding maximum amount of advertising. There is no specific legislation regarding the split screen technique and is not used in Norway.

Russia:

- 1.36 The Russian advertising break consists of 2 parts: federal advertisements and regional advertisements. The duration for each is 4 minutes and 15 minutes per hour respectively.

Note: In many countries, the public broadcasters/public broadcasting services are governed by the different set of regulations on duration, scheduling and format of advertisements.

Extract from the Amended TVWF Directive^{11,12}

(44) The limitation on the amount of daily television advertising was largely theoretical. The hourly limit is more important since it also applies during prime time. Therefore the daily limit should be abolished, while the hourly limit should be maintained for television advertising and teleshopping spots; also the quantitative restrictions on the time allowed for teleshopping or advertising channels seem no longer justified given increased consumer choice. However, the limit of 20% of television advertising spots and teleshopping spots per clock hour remains applicable. The notion of a television advertising spot should be understood as television advertising in the sense of Article 1(g) of a duration of not more than 12 minutes.

Article 10

1. Television advertising and teleshopping shall be readily recognizable and distinguishable from editorial content. Without prejudice to the use of new advertising techniques, television advertising and teleshopping shall be kept quite distinct from other parts of the programme service by optical and/or acoustic and/or spatial means.
2. Isolated advertising and teleshopping spots, other than in transmissions of sports events, shall remain the exception.

Article 11

1. Member States shall ensure, where advertising or teleshopping is inserted during programmes, that the integrity of the programmes, taking into account natural breaks in and the duration and the nature of the programme, and the rights of the right holders are not prejudiced.
2. The transmission of films made for television (excluding series, serials and documentaries), cinematographic works and news programmes may be interrupted by advertising and/or teleshopping once for each scheduled period of at least 30

¹¹ http://europa.eu/legislation_summaries/audiovisual_and_media/l24101a_en.htm

¹² http://www.ebu.ch/CMSimages/en/leg_amsd_ceu_consolidated_text_270407_tcm6-51817.pdf

minutes. The transmission of children's programmes may be interrupted by advertising and/or teleshopping once for each scheduled period of at least 30 minutes, provided the scheduled duration of the programme is greater than 30 minutes. No advertising or teleshopping may be inserted during religious services.

Article 18

1. The proportion of television advertising spots and teleshopping spots within a given clock hour shall not exceed 20 %.
2. Paragraph 1 shall not apply to announcements made by the broadcaster in connection with its own programmes and ancillary products directly derived from those programmes, sponsorship announcements and product placements.

NOTIFICATION NO. 39

[Dated 09.01.2004]

MINISTRY OF COMMUNICATION AND INFORMATION TECHNOLOGY

(Department of Telecommunications)

NOTIFICATION

New Delhi, the 9th January, 2004

S.O. 44(E). - In exercise of the powers conferred by the proviso to clause (k) of Sub-section (1) of Section 2 of the Telecom Regulatory Authority of India Act, 1997 (24 of 1997), the Central Government hereby notifies the broadcasting services and cable services to be telecommunication service.

[F.No. 13-1/2004 - Restg.]

P.K. TIWARI, Dy. Secy (Restg.)

ORDER

New Delhi, the 9th January, 2004

S.O. 45(E). - In exercise of the powers conferred by clause (d) of Sub-clause (1) of Section 11 of the Telecom Regulatory Authority of India Act, 1997 (24 of 1997) (hereinafter referred to as the Act), the Central Government hereby entrusts the following additional functions to the Telecom Regulatory Authority of India, established under Sub-section (1) of Section 3 of the Act, in respect of broadcasting services and cable services, namely:-

(1) Without prejudice to the provisions contained in clause (a) of Sub-section (1) of Section 11 of the Act, to make recommendation regarding -

(a) the terms and conditions on which the "Addressable systems" shall be provided to customers

Explanation – For the purposes of this clause, “addressable system” with its grammatical variation, means an electronic device or more than one electronic devices put in an integrated system through which signals of cable television network can be sent in encrypted or unencrypted form, which can be decoded by the device or devices at the premises of the subscriber within the limits of authorisation made, on the choice and request of such subscriber, by the cable operator for that purpose to the subscriber,

(b) the parameters for regulating maximum time for advertisements in pay channels as well as other channels.

(2) Without prejudice to the provisions of Sub-section(2) of Section 11 of the Act, also to specify standard norms for, and periodicity of, revision of rates of pay channels, including interim measures.

[F.No. 13-1/2004 – Restg.]

P.K. TIWARI, Dy. Secy (Restg.)