

## **MIB ADVISORY TO BROADCASTERS**

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## October 2014

ASCI had issued guidelines dated August 14, 2014 regarding advertising for skin lightening or fairness improvement products stating that no advertisement should communicate any discrimination and reinforce negative social stereotyping on the basis of skin color. But TV channels continue showing such ads. ASCI, therefore, made a compliant before MIB regarding various TV channels carrying objectionable advertisements in violation of the ASCI Code, the Drugs & Magic Remedies (Objectionable Advertisements) Act, 1954, the Cable Television Networks (Regulation) Act, 1995 and Cable Television Network Rules 1994 ("Cable TV Rules"). MIB's Inter-Ministerial Committee observed that non-compliance of ASCI's decision violates Rule 7(9) of the Cable TV Rules which provides that advertisements that violate the Advertising Code should not be carried in the cable service and advised all TV channels to refrain from carrying advertisements of products in violation of the aforesaid rules.

**PSA view** – Monitoring has become crucial and, therefore, pursuant to Clause 5.14 of the Policy Guidelines for Downlinking of Television channels that requires the broadcaster to provide monitoring facilities for monitoring of content by MIB, MIB issued a circular dated July 22, 2014 to all TV channels asking for Integrated Receiver Decoders for each channel to facilitate monitoring procedure at the Electronic Media Monitoring Centre. Restraint while showing advertisements is crucial and broadcasters should adhere to the ASCI Code and other regulations that MIB monitors.

## Service Tax applicable on online advertisements

Service tax is currently levied on sale of space or time for advertisements in broadcast media, namely radio or television. However, with the passing of the notification dated July 10, 2014, service tax is to be extended to online and mobile advertising also. Online advertisements will involve within its ambit advertisements on internet websites, out-of-home media, on film screen in theatres, bill boards, conveyances, buildings, cell phones, ATM, tickets, commercial publications, aerial advertising, etc. Sale of space for advertisements in print media, however, would continue to be in the negative list and hence, remain excluded from the purview of service tax. This change came into effect from October 1, 2014.

**PSA view –** This move of the government has been subjected to great criticism and is being considered ironical especially when the government is focusing to building a digital India. A few called this move as regressive in nature, as it will escalate costs and impact growth.

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