

# REGULATION

## LAWS AND REGULATIONS OF OUR INDUSTRY

Generally, we operate our digital OOH media business relating to the broadcast of a mix of advertisements, infotainment and short-clip entertainment programs under the legal regimes of the laws and regulations of Hong Kong in Hong Kong and the laws and regulations of Singapore in Singapore respectively. As at the Latest Practicable Date, there are no existing laws or regulations in Hong Kong or Singapore that specifically defines or regulates digital OOH media business.

### Advertising

Most of the advertisements shown on our Networks have previously been broadcasted over public television networks and have been subjected to review by such television networks. Nevertheless, we are still required to independently review and verify these advertisements for content compliance before displaying the advertisements on our Networks.

The principal regulatory authorities and regulations governing the advertising industry in Hong Kong include:

- The Broadcasting Authority in Hong Kong (香港廣播事務管理局)
- The Television and Entertainment Licensing Authority in Hong Kong (香港影視及娛樂事務管理處)
- The Broadcasting Ordinance (廣播條例) (Chapter 562 of the Laws of Hong Kong)
- The Broadcasting Authority Ordinance (廣播事務管理局條例) (Chapter 391 of the Laws of Hong Kong)

The principal regulatory authorities and regulations governing the advertising industry in Singapore include:

- Media Development Authority of Singapore
- Media Development Authority of Singapore Act (Chapter 172)
- Singapore Broadcasting Act (Chapter 28)

## HONG KONG

### Broadcasting Authority (廣播事務管理局)

The Broadcasting Authority (廣播事務管理局) is an independent statutory body established under the Broadcasting Authority Ordinance (廣播事務管理局條例) (Cap. 391 of the Laws of Hong Kong) in 1987 for the regulation of the broadcasting industry in Hong Kong.

## REGULATION

### **Television and Entertainment Licensing Authority (影視及娛樂事務管理處)**

The Television and Entertainment Licensing Authority (影視及娛樂事務管理處) is a broadcasting and entertainment regulatory agency in three main areas, namely, broadcasting services, film classification, and the control of obscene and indecent articles and is also responsible for matters relating to entertainment licensing.

### **Broadcasting Law**

#### *Broadcasting Ordinance (廣播條例)*

Under the Broadcasting Ordinance (廣播條例), no person or company may broadcast without a licence in Hong Kong. The Broadcasting Ordinance (廣播條例) (Chapter 562 of the Laws of Hong Kong) governs broadcasting laws in Hong Kong with supervision being carried out by its statutory body, the Broadcasting Authority (廣播事務管理局). The Broadcasting Ordinance (廣播條例) (Chapter 562 of the Laws of Hong Kong) is primarily concerned with sound and television broadcasting.

Regulation by way of licensing proceeds on the basis of categories and broadcasting services includes non-domestic television program services. The advertisements as shown on our Networks via digital OOH advertising is not, at present, a recognised licensable service under the Broadcasting Ordinance (廣播條例). Nonetheless, the principles embodied under the Broadcasting Ordinance (廣播條例) and the related Codes of Practices (see below for further details) will indirectly impact any broadcasts from the digital OOH advertising medium.

Should a licensee be in violation of the Broadcasting Ordinance (廣播條例) or the related Codes of Practices, the Broadcasting Authority (廣播事務管理局) is empowered to impose penalties against such licensee under the Broadcasting Ordinance (廣播條例). These include financial penalties as well as the suspension or revocation of a broadcasting licence.

### **Codes of Practices issued by the Broadcasting Authority (廣播事務管理局)**

The content of advertisements is subject to regulatory restrictions and requirements as laid out in the Codes of Practices which are issued by the Broadcasting Authority (廣播事務管理局).

The Codes of Practices set out clear advertising standards applicable to licensees. The preamble to the Codes of Practices relating to television advertisements states that the general principle governing all television advertising is that it should be legal, clean, honest and truthful. On this basis, although we are not a licensee under the Broadcasting Ordinance (廣播條例), we remain vigilant at all times to ensure that the broadcasting of digital OOH advertisements would operate within the requirements set out in the Broadcasting Ordinance (廣播條例) and the related Codes of Practices thereunder.

Advertisements for products or services that are prohibited as a licensed service under the Codes of Practices include:

- firearms and associated equipment;
- fortune tellers (subject to certain exceptions);
- undertakers or others associated with death or burial (subject to certain exceptions);
- unlicensed employment services, registries or bureaux;

## REGULATION

- organisations, companies and/or persons seeking to advertise for the purpose of giving gambling tips;
- betting (except for lotteries, football and horse race betting which are authorised by or under the Betting Duty Ordinance (博彩稅條例) (Cap. 108 of the Laws of Hong Kong); and
- adult entertainment and services.

Additionally, advertisements for products or services which are of particular concern or sensitivity are subject to special restrictions. This includes advertising of alcoholic beverages, female hygiene products and the advertising of products for medical treatment and personal health.

These principles apply in general to broadcasts made by licensees under the Broadcasting Ordinance (廣播條例). Whilst we are not a licensee under the Broadcasting Ordinance (廣播條例), we will continue to observe the principles of broadcasting advertisements as set out above.

### **Public Health and Safety**

The Undesirable Medical Advertisements Ordinance (不良醫藥廣告條例) (Chapter 231 of the Laws of Hong Kong) prohibits any advertisements that are likely to lead to the use of any medicine or treatment for certain diseases, including infectious diseases, venereal diseases, respiratory diseases and cardiovascular conditions. Advertisements relating to abortion are also prohibited under this Ordinance, unless the advertisement is published by or with written authority from the Director of Health in Hong Kong.

Under the Pharmacy and Poisons Regulation (Chapter 138A of the Laws of Hong Kong), no person shall sell a substance advertised to be a medicine unless such article is properly labeled in accordance with the statutory requirements.

Under the Code of Practices, advertisements for products or services for tobacco products in general are not allowed. This is upheld by the relevant provisions relating to tobacco advertisements under the Smoking (Public Health) Ordinance (吸煙(公共衛生)條例) (Cap. 371 of the Laws of Hong Kong). However, advertisements for certain tobacco related products such as cigarette holders, tobacco filters and other smoking accessories are subject to special requirements and may target adult audiences but not children or adolescents.

Although not specifically addressing the digital OOH advertising medium, compliance with the general health and safety restrictions under the laws abovementioned is necessary.

### **Control of Obscene and Indecent Articles Ordinance (淫褻及不雅物品管制條例)**

The Control of Obscene and Indecent Articles Ordinance (淫褻及不雅物品管制條例) (Chapter 390 of the Laws of Hong Kong) (“COIAO”) restricts publication of any articles that are indecent or obscene. The Obscene Articles Tribunal, a statutory body established under the COIAO, is responsible for classifying and determining whether or not any articles are obscene. Anyone who publishes, possesses or imports for the purpose of publication a Class III article is liable to a fine of HK\$1 million

## REGULATION

and to imprisonment for three years. Anyone who publishes an indecent article to a juvenile is liable to a fine of HK\$400,000 and to imprisonment for 12 months on first conviction and HK\$800,000 and imprisonment for 12 months for a second or subsequent conviction.

Anyone who fails to observe conditions or restrictions on publishing Class II articles is liable to a fine of \$400,000 and imprisonment for 12 months on first conviction and to a fine of \$800,000 and imprisonment for 12 months on a second or subsequent conviction.

If certificates of approval or exemption has been issued under the Film Censorship Ordinance (電影檢查條例) (Chapter 392 of the Laws of Hong Kong) to advertisement programs, the Control of Obscene and Indecent Articles Ordinance (淫褻及不雅物品管制條例) shall not apply.

Although not specifically addressing the digital OOH advertising medium, we will observe the laws under the COIAO.

### **SINGAPORE**

#### **Broadcasting Laws**

In Singapore, no person shall provide any licensable broadcasting service in or from Singapore without a licence granted by the Media Development Authority of Singapore (“MDA”). Under the Singapore Broadcasting Act (Chapter 28) (“Broadcasting Act”), a “broadcasting service” is defined as “a service whereby signs or signals transmitted, whether or not encrypted, comprise:

- (a) any programme capable of being received, or received and displayed, as visual images, whether moving or still;
- (b) any sound programme for reception; or
- (c) any programme, being a combination of both visual image (whether moving or still) and sound for reception or reception and display,

by persons having equipment appropriate for receiving, or receiving and displaying, as the case may be, that service irrespective of the means of delivery of that service.” The Broadcasting Act stipulates the types of broadcasting services which require licensing. Examples of licensable broadcasting services include free-to-air television services, subscription television services, free-to-air radio services, subscription radio services, special interest television and radio services, broadcast data services, audiotext services, videotext services and teletext services.

Currently, the advertisements displayed on our Networks in Singapore via digital OOH media do not specifically fall under the definition of a broadcasting service and hence within any of the licensable broadcasting services listed in the Broadcasting Act.

## REGULATION

### **The Media Development Authority of Singapore and the Media Development Authority of Singapore Act (Chapter 172) (“MDA Act”)**

The MDA is a statutory board of the Singapore Ministry of Information, Communications and the Arts and was established in 2003. Through the MDA Act and the various codes of practices issued by the MDA from time to time, the MDA regulates various media outlets and broadcasting forums, including film, television, radio, publications, music, games, animation and interactive digital media.

Although digital OOH media is not a licensable service under the Broadcasting Act, the content of the advertisements aired by such medium must nonetheless comply with the provisions of the MDA Act, the codes of practices and other statutes or regulations governing certain specific industries or services. For example the Singapore Medicines (Advertisement and Sale) Act (Chapter 177) and the Undesirable Publications Act (Chapter 338) govern advertisements relating to certain diseases and medical services, and the control of obscene and indecent materials respectively.

#### **Advertising Codes of Practices**

##### *The MDA Television Advertising Code*

The content of television broadcast advertisements is regulated by the MDA Television Advertising Code, which outlines the general standards for advertisements shown on all television broadcast services, including free-to-air television and subscription television. The general principles of the Television Advertising Code state that advertisements must be truthful and lawful, decent and tasteful in their content and presentation and not contain messages which offend the community. In addition, such advertisements must comply with the prevailing laws of Singapore while remaining sensitive to the portrayal of various races, religions, genders, ages, and those living with disabilities.

An advertisement that features or refers to materials which are prohibited under the guidelines includes but is not limited to:

- (1) The promotion or propagation of any religious cause or event;
- (2) Forms of contraception and condoms;
- (3) Tobacco products and smoking (subject to exceptions);
- (4) Gambling (subject to exceptions);
- (5) Solely or mainly of a political nature;
- (6) Death-related and undertaker services (subject to limitations); and
- (7) Chatline and non-accredited dating services.

In addition, the preamble of the Television Advertising Code declares that advertisements such as infomercials or other types of product or service promotions should be guided by the Singapore Code of Advertising Practice issued by the Advertising Standards Authority of Singapore.

While we are not required to be licensed by the MDA, we will continue to observe the above principles of broadcast advertising.

## REGULATION

*The MDA Code of Practice for Market Conduct in the Provision of Media Services (the “MDA Code of Practice”)*

The MDA Code of Practice primarily sets out the goals and standards of fair market conduct and effective competition among Singapore’s broadcast and print service providers, including the duty not to use media services to disseminate false or misleading information, as well as the duty to safeguard the public interest.

*Singapore Code of Advertising Practice*

The Singapore Code of Advertising Practice is a voluntary code of practice enforced by the Advertising Standards Authority of Singapore. The Advertising Standards Authority of Singapore was created in 1973 as an advisory council to the non-profit Consumers’ Association of Singapore, which reviews advertisements for potential trade practices infringements. However, any breach of the Singapore Code of Advertising Practice will not result in legal sanctions but may potentially lead to sanctions applied by media owners through the withholding of advertising space/time or withdrawal of trading privileges from advertising agencies.