

**ICELAND**

**STUDY ON  
THE IMPACT OF ADVERTISING AND TELE-SHOPPING  
ON MINORS**

**I. INTRODUCTION**

**II. SUMMARY**

**III. REPORT**

## INTRODUCTION

The study on the impact of TV advertising and teleshopping on minors was carried out by International Research Associates (**INRA**) in collaboration for legal issues with the lawfirm **Bird & Bird** , for the 18 Member States of the European Union and the European Economic Area, and, for each country, in collaboration with a national lawfirm. For Iceland the study was carried out by the lawyers office **Adalsteinsson & Partners**.

The aim of the study was to identify and describe the national provisions on advertising provided in legislation, regulation and self-regulatory codes, which are applied to advertising in each State for the protection of minors. In addition, the national system for the handling of complaints was described fully, covering administrative, legal and self-regulatory measures.

For most countries it was possible to identify and to comment upon official proposals of law. In this respect, the information received from professional associations in the advertising sector was very helpful, as were the comments made by national authorities, who had been sent the the draft reports by the Directorate General Education and Culture.

Finally in each national report the consultants indicated the way in which the provisions of the TVWF Directive (unofficial consolidated version), have been implemented in national legislation concerning TV advertising and teleshopping directed at minors. Nevertheless, in view of the objectives of the Commission and to enable comparison, the reports also cover other media such as radio, press, outdoor advertising, cinema, and Internet.

The study was carried out, realised and presented using an identical layout for each of the countries studied to achieve a harmonised readable approach, and facilitate comparison .

Therefore, as well as the main definitions and general rules in the field of advertising and teleshopping directed at minors, each national report contains the regulation by sector and by media, as well as an identification of specific marketing techniques. Moreover, each national report is preceded by a summary which gives the essential characteristics of the country in question. An Excell table has been drawn up, using the same layout for each country, as well as a comparative table for the 18 States studied.

Finally a report has been drawn up on European and international regulation and self-regulation concerning advertising directed at minors.

## II. SUMMARY

The Icelandic Broadcast Act (n°53/2000) has not been modified in this area apart from the implementation of the European Directive. No proposals exist concerning this subject.

### **1. Definitions**

The Act on the Protection of Children and Youth states that a “minor” is an individual who has not reached the age of 18 years.

In the Broadcasting Act “advertising” is defined as “any form of message whether against payment or for self promotional purposes and aiming to promote a product or a service”.

### **2. Regulation**

#### **a. General**

The Act on Competition n° 8/1993 contains the general rules on advertising : advertising may not be incomplete, misleading or unfair to competitors or consumers, it has to be in the Icelandic language, recognisable as such and distinguished from other information.

Art.22 contains specific rules for the protection of children: advertising may not abuse their credulity, may not show dangerous acts/situations and the representation of children in advertising is submitted to certain conditions (children have to be shown in safe situations, in their natural environment or where it is necessary for the presentation of certain goods/services).

#### **b. Media**

The Radio Act 53/2000 implements the European Directive “TV without frontiers” and is applicable to public service as well as to commercial radio and TV. It contains rules on the advertising content and on interruption of programmes which are identical to the rules of the European Directive.

Children’s programs may not be interrupted by advertising, according to the provisions of this Act.

Art.14 provides that all programmes, including advertising, that could harm the physical, mental or moral development of minors are forbidden during the hours that children are usually watching. Such programmes should also be identified by a special warning (art.22 European Directive).

For teleshopping and sponsoring the rules of the European Directive apply.

There are no specific rules on advertising directed at children for cinema, press, posters or the Internet.

### **c. Specific provisions**

Specific legislation regulates advertising for certain categories of products:

- alcohol : general prohibition on advertising
- tobacco : general prohibition on advertising
- leisure : the Film Inspection can classify films as unsuitable for minors under 16.

### **d. Other marketing techniques**

Direct Marketing : the general rules on advertising are applicable;

## **3. Proposals of Law**

There have been no significant modifications or proposals concerning advertising directed at minors apart from the implementation of the European Directive. At the time the report was drafted, there were no proposals for new legislation on advertising directed at children.

## **4. Self regulation**

The Society of Icelandic Advertising Agencies has issued a Code of Ethics (general rules and guidelines on the content and the form of advertisements) and also applies the advertising code of the International Chamber of Commerce.

## **5. Handling of complaints**

### **Authorities**

The Competition Council : is competent for alleged breaches of the legislation on fair competition. A special Advertising Committee decides on disputes concerning advertising regulation.

In 1998 the Council issued 15 sanctions of which 2 concerned advertising and minors, in 1999 of 10 sanctions none concerned advertising and children.

The Broadcasting Council : is competent for the supervision of commercial radio and TV concerning the conditions of their licenses and the application of audiovisual legislation.

Procedure :

The Icelandic Chamber of Commerce organizes arbitration to handle disputes concerning advertising.

The District Courts are also competent to decide on disputes concerning advertising regulation.

### **Self-regulation**

Any person can submit a complaint to the Society of Icelandic Advertising Agencies in case of presumed breach of the Code of Ethics or other regulations on advertising. For a severe breach, the Ethics Committee can stop the distribution of the advertising.

There are no records kept on the number and evolution of complaints concerning advertising and minors by the self-regulatory body.

**III. REPORT**

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## I. DEFINITIONS

### **Minors**

Second paragraph, the article in the Act on the Protection of Children and Youth, No. 58/1992; a minor is an individual who has not yet reached the age of 18 years.

### **Maturity**

Legal Competence Act n° 71/1997

According to this act a person gains legal competence at the age of 18. Legal competence includes firstly personal competence, which refers to first and foremost to the right to decide the place of residence and employment. The individual can not be placed in a hospital against his will, and secondly financial competence, which means that the person can take decisions regarding all of his money. A person under the age of 18 would be classified as a minor regarding the right to decide the place of residence and accordingly to travel abroad.

### **Legal entitlement to contract**

Article 77 of the Law in Respect of Maturity: unauthorised contracts by minors are void.

Article 29 of the Law in Respect of Children No. 20/1992: a minor is entitled to the guardianship of his/her parents, who have custodial duties towards the minor until he/she reaches the age of being competent to manage his personal affairs.

The custody of a child entails the guardians' right and duty to manage the child's personal affairs and perform other parental duties and also to manage the child's financial affairs, as provided for by the Law in Respect of Maturity.

### **Protection of children and youth**

#### *General rules*

The Ministry of Social Affairs has the ultimate authority in the affairs of child protection according to Children and Youth Protection Act of No. 58/1992. Government Agency for Child Protection serves to co-ordinate child protection activities. However, the Child Protection Committees in every county are

responsible for preventive measures contributing to a positive environment for the upbringing of children and to point out social circumstances, which are contrary to these aims. Additionally, the Child Protection Committees shall inspect facilities for children and implement remedies that are most suitable in each case and that appear most likely to ensure the welfare and best interests of a child.

### **Public Sex Offences**

The provisions that deal with public sex offences are in article 210 of the General Penal Code No 19/1940; if pornography appears in print the person responsible for its publication under the Publications Act shall be fined, or imprisoned for up to 6 months. The same punishment shall apply to the production or importation, for the purpose of dissemination, sale, sharing out or other distribution, of pornographic publications, pornographic pictures or other such items, or to displaying them, and also to organising a public lecture or performance which is similarly immoral. Furthermore, the same punishment shall apply to persons who release pornographic publications, pornographic pictures or other such items, to young people under the age of 18.

Any person in possession of photographs, films or comparable items depicting children in a sexual or obscene manner shall be liable to a fine. The same punishment shall apply to persons in possession of photographs, films or comparable items showing children participating in sexual acts with animals or using objects in an obscene manner.

## **II. REGULATION**

### **1. Classification by media**

#### **1.1. All media**

##### **1.1.1. General rules about advertising**

The Competition Act No. 8/1993 sets out the general rules on advertising and marketing in Iceland. Chapter VI of the Act refers to control with respect to unfair trade practices.

Any activity in the course of a business operation contrary to good business practice, or any activity, which is improper with regard to the interests of consumers, is prohibited, (Article 20).

Article 21; the provision of incorrect, incomplete or misleading information, in advertisements or by other means, or the employment of other similar business methods possessing such characteristics, is prohibited, if such advertisements or methods can influence the demand or supply of goods, real property, services or other objects of trade offered in the course of business operation to which this Law applies. Advertisements and other business methods shall not be unfair to competitors or consumers, by reason of their form or references to irrelevant matters.

According to Article 22 of the Competition Act advertisements intended to appeal to the Icelandic consumers must be in the Icelandic language and advertisements shall be prepared in such a manner as to preclude any doubt about their nature as advertisements. Additionally, advertisements shall be clearly separated from other matter presented in the media.

##### **1.1.2. Advertising and Children**

The Competition Act contains in 2<sup>nd</sup> paragraph of Article 22, special provisions about advertising and children. Those provisions are applicable in all forms of media and marketing. The main rules are as follows:

###### **1. General presentation:**

Advertisements shall be presented on the assumption that they will be seen and heard by children, and shall in no way be offensive to them. Special care must be taken in advertisements because of the credulity of children and young persons and the impressions received by them.



## 2. Safety

If children are shown in advertisements care shall be taken not to show or describe dangerous acts or situations that may lead them or other children into a situation of danger or evincing conduct which is not permitted. The statement with the bill for the Competition Act included that minors will only be allowed to participate in advertising if they are shown in their natural environment or if it is necessary to use minors in order to show the use of goods or services. The Competition Council ruled in September 1998 that an advertisement which showed an infant sitting on a washing machine with his arms reaching down to the switch, without showing an adult nearby, was a breach of Article 22. The advertisement was considered to show a dangerous activity and also that a washing machine was not a natural part of the child's environment. Subsequently the advertisement was banned.

### **1.2. Television**

#### **1.2.1. General rules**

The Broadcast Act No. 53/2000 contains rules on both radio and television and all media, which comprises identical provisions to those of article 16 of the European directive "Television without frontiers". The Broadcast Act makes no distinction between different forms of media; subsequently the rules and restrictions are applicable to both advertising on radio and television. Both private and government owned radio and television companies must comply with the provisions in the Broadcast Act.

Article 15 of the Act establishes the right for broadcasters to generate revenues through license fees, subscriptions, advertising, teleshopping spots, sponsorship and the sales and rental of goods related to their programming. The Minister of Culture and Education has the authorisation to implement further rules with regards to article 15.

Advertisements in general must be clearly identifiable as such, their content and presentation distinguishing them from regular programmes according to section 16 of the Act (art.10 Directive TV without Frontiers).

#### **1.2.2. Advertising in general**

The content and the broadcasting time of advertisements are regulated in the Broadcast Act. The definitions regarding advertising in television are established in the Broadcast Act:

Advertising; means any form of announcement broadcast whether in return for payment or for self-promotional purposes by the broadcaster and involving the promotion of a product or service;

Surreptitious advertising means the display or other representation in words or pictures of goods, services, the trademark or the activities of a producer of goods or a provider of services in programmes outside advertising slots when such representation is intended by the broadcaster to serve advertising and to deceive the public in this respect;

The general principles about advertising in television are set forth in Article 16 of the Broadcast Act and they are compatible to Art. 10 of of the Directive Television without Frontiers.

### **Identification**

Advertising shall be readily recognisable as such and kept quite separate from other parts of the programme service by optical and/or acoustic means. The same rule shall apply to teleshopping spots.

### **Surreptitious and subliminal advertising**

In accordance, with Article 10 of the Directive TV without Frontiers paragraph 3 and 4 of Article 16 of the Broadcast Act contain a general ban on surreptitious and subliminal advertising or teleshopping spots.

### **Placement of advertising**

In Article 17 of the Broadcast Act restrictions are set on the placement of advertising in television. As a general rule advertising shall be broadcast in separate general advertising slots between programmes. The same rule shall apply to teleshopping spots.

However, advertising and teleshopping spots may also be inserted during programmes in such a way that the integrity and value of the programme, the integrity of the broadcast and the rights of the rights holders are not prejudiced, as follows:

- a) In programmes consisting of autonomous parts, or in sports programmes and similarly structured events, advertising and teleshopping spots shall only be inserted between the parts or in the intervals.
- b) The transmission of films, including films made for television, provided their scheduled duration is more than 45 minutes, may be interrupted once for each period of 45 minutes with advertising or teleshopping spots.

A further interruption shall be allowed if their scheduled duration is at least 20 minutes longer than two or more complete periods of 45 minutes.

- c) Where programmes, other than those mentioned in (a), are interrupted by advertising or teleshopping spots, a period of at least 20 minutes should elapse between each successive advertising break within the programme.

Further, isolated advertising and teleshopping spots shall remain the exception according to 2<sup>nd</sup> paragraph Art. 17. See Article 10.2 in the Directive Television without Frontiers.

Finally, a special ban is applicable to advertising and/or teleshopping in particular programmes, 4<sup>th</sup> paragraph Art. 17 of the Act. Advertising or teleshopping spots may not be inserted in any broadcast of a religious service nor programme, news or news related programmes or children's programmes. Nevertheless, news related programmes may be interrupted if their scheduled duration is 30 minutes or longer. This ban is compatible to Art. 11.5 of the of the Directive Television without Frontiers.

### **1.2.3. Advertising and children**

In Article 14 of the Broadcast Act two principles are set forth about the protection of minors against unauthorised programme material. First, programmes, including advertising containing material which might seriously impair the physical, mental or moral development of minors, in particular programmes that involve pornography or gratuitous violence may not be transmitted at times of broadcast when minors are likely to be able to view those programmes (Paragraph 1). Furthermore, programmes deemed unsuitable for minors pursuant to the first paragraph shall only be transmitted in a way that ensures by technical measures that minors in the area of transmission will not normally hear or see such broadcasts. When such programmes are broadcast they shall be preceded by a spoken warning or be identified by the presence of a visual symbol throughout their duration. This provision implements Art. 22 of the Directive Television without Frontiers, but is more lenient since programs of the above mentioned nature are not banned from transmission, but rather they must be transmitted at a particular time.

Further rules regarding the implementation of Article 14 of the Act shall be laid down in a ministerial decree.<sup>1</sup>

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<sup>1</sup> Such ministerial decree has of 15th of January 2001 not been implemented.

Article 20 of the Broadcast Act implements the provisions of Art. 16 of the Directive

Television without Frontiers. Minors are therefore protected against inappropriate advertising in the Broadcast Act. The nature and presentation of broadcast advertisements shall be such as not to cause moral or physical detriment to minors. Therefore, such advertising:

- a) shall not exhort minors to buy a product or a service by exploiting their inexperience or credulity,
- b) shall not encourage minors to persuade their parents or others to purchase the goods or services being advertised,
- c) shall not exploit the special trust minors place in parents, teachers or other persons, and
- d) shall not unreasonably show minors in dangerous situations.

#### **1.2.4. Sponsorship**

Sponsorship is defined in the Broadcast Act No. 53/2000 as any contribution made by a legal or natural person to the financing of broadcasting programmes or their distribution with a view to promoting its name, its trade mark, its image, its activities or its products;

Article 22 of the Broadcast Act implements the provisions in Article 17 of the Directive Television without Frontiers about sponsorship. Sponsoring is prohibited on the news and related programmes. Whenever, a programme is sponsored the content of the programme shall not contain a special solicitation to buy or rent the sponsor's goods or services. Sponsored programmes must be easy to identify with an introduction, the name and or the trademark of the sponsor in the beginning of the programme and/or at the end.

All other above-mentioned statements regarding advertising in general and or particularly minors and advertising are applicable. Sponsoring by parties, who are unauthorised to advertise their goods or services, is prohibited, e.g. tobacco brands. But, drug-manufacturers and retailers can introduce the name and image of their company with sponsorship provided that it does not cause the promotion of an individual product or medical treatment.

As a sponsorship is considered an equal to other forms of advertising presentations all the same provisions apply to the conditions of their

presentation. Conversely, so far the sponsorship in Iceland has for the most been limited to products that can be considered harmless for minors and also the sponsorship has been aimed at specific groups.

### **1.2.5. Teleshopping**

Teleshopping is defined in the Broadcast Act as direct offers televised to the public with a view to the supply of goods or services in return for payment. Teleshopping in this case includes immovable property as well as rights and obligations connected with such transactions.

In general teleshopping must as all other forms of advertising be clearly promoted as such. Article 19 of the Broadcast Act contains the stipulations for teleshopping. Consequently, teleshopping must be presented for more than fifteen minutes simultaneously without disturbances and no more than eight teleshopping spots per day with total time of eight hours can be transmitted. Moreover, teleshopping is subjected to every provision in effect in the Competition Act and Broadcast Act about advertisement. Finally, the special provisions for certain goods or services are in effect, e.g. for tobacco products, drugs or alcoholic beverages.

There are no specific provisions concerning minors and tele-shopping as the general provisions about advertising are applicable and should give adequate protection.

### **1.3. Radio**

The provisions in the Broadcast Act No. 53/2000 are also applicable for radio.

### **1.4. Press**

Icelandic legislation contains no specific rules regarding advertising for this media. However, the general provisions in chapter VI. of the Competition Act No. 8/1993 apply.

### **1.5. Posters**

Icelandic legislation contains no specific rules regarding advertising for this media. However, the general provisions in chapter VI. of the Competition Act No. 8/1993 apply.

## **1.6. Cinema**

Icelandic legislation contains no specific rules regarding advertising for this media. However, the general provisions in chapter VI. of the Competition Act No. 8/1993 apply. Furthermore, detailed regulation about the contents of films is set forth in the Act on the Inspection of films and Prohibiting of Films Containing Violence No. 47/1995.

## **1.7. Internet**

Icelandic legislation contains no specific rules regarding advertising for this media. However, the general provisions in chapter VI. of the Competition Act No. 8/1993 apply.

## **2. Advertising – Classification by Sector**

### **2.1. ALCOHOL**

#### **2.1.1. General rules**

The retail sale of alcoholic beverages is restricted to a governmental corporation, ATVR, and generally all the rules in the Alcohol Control Act are focused on reaching the objective set forth in the first article of the Alcohol Control Act No. 75/1998, to work against the abuse of alcohol. There is a ban in article 18 on serving alcoholic beverages to persons younger than the age of twenty years. Admittance to premises licensed to sell alcoholic beverages is restricted to youths over the age of eighteen, unless accompanied by their guardians or spouse. Minors younger than 18 years may not work in premises licensed to sell alcoholic beverages.

## **2.1.2. Rules regarding advertising**

### **A. General**

There is a general prohibition on commercial advertising for alcoholic beverages. Moreover, all presentations about the consumption of alcohol or other use are banned, article 20.

Advertising is broadly defined in the second paragraph of article 20; all public announcements for marketing reasons, where it shows verbally or visually, any alcoholic brand or scene related to alcohol use, such as the name of an alcoholic brand, posters or other similar equipment, displays distribution of printed materials and product samples etc. Therefore, the Alcohol Control Act is much more restrictive with regards to advertising than Art. 15 of the Directive Television without Frontiers.

The prohibition also includes advertisements, which contains simply the company's name and or the logo of alcoholic beverages. However, alcoholic manufacturers who produce other non-alcoholic beverage products are permitted to use the company's name or logo in connection with advertisements about them on the condition that it will be obvious that the beverages are non-alcoholic as defined by the Act and no references made to the alcoholic products.

However, identifying marks with the company's name or logo are allowed on the usual equipment for serving alcohol in restaurants. Additionally, vehicles, letterheads, containers and everything else needed for the business may be identified with the company name or logo.

### **B. By media**

#### **2.1.2.1. *Television***

As mentioned in section 2.1.2 the Alcohol Control Act implements a very strict and general ban on all forms of advertising, presentations and promotions on alcoholic beverages. Therefore, advertising or promotions regarding alcoholic beverages is prohibited in this media.

#### **2.1.2.2. *Radio***

As mentioned in section 2.1.2 the Alcohol Control Act implements a very strict and general ban on all forms of advertising, presentations and promotions on

alcoholic beverages. Therefore, advertising or promotions regarding alcoholic beverages is prohibited in this media.



### **2.1.2.3. Press**

As mentioned in section 2.1.2 the Alcohol Control Act implements a very strict and general ban on all forms of advertising, presentations and promotions on alcoholic beverages. Therefore, advertising or promotions regarding alcoholic beverages is prohibited in this media. However, an exception is made from this ban in regards to foreign alcoholic advertisements in foreign printed materials. Such advertisements are permissible in foreign press, unless the main purpose of the literary work or the export is to advertise alcohol.

### **2.1.2.4. Posters**

As mentioned in section 2.1.2 the Alcohol Control Act implements a very strict and general ban on all forms of advertising, presentations and promotions on alcoholic beverages. Therefore, advertising or promotions regarding alcoholic beverages is prohibited in this media.

### **2.1.2.5. Cinema**

As mentioned in section 2.1.2 the Alcohol Control Act implements a very strict and general ban on all forms of advertising, presentations and promotions on alcoholic beverages. Therefore, advertising or promotions regarding alcoholic beverages is prohibited in this media.

### **2.1.2.6. Internet**

The same general ban on advertising, presentation and promotions on alcoholic beverages will likely be interpreted by Icelandic authorities to be applicable to Icelandic domains. For example a complaint was made by the Alcoholic Control Committee with regards to the contents of the website of the governmental retailer of alcohol (ATVR).

## **2.2. TOBACCO**

### **2.2.1. General rules**

The Act on the Prevention of the Use of Tobacco No. 74/1984 has a ban on smoking in the accommodation areas of institutions, which are accessible to the public services rendered by them. This, however, does not apply to restaurants and places of entertainment, but they must ensure a smoking free area. Tobacco

smoking is absolutely prohibited in public places where children or youngsters of school age are allowed, lodged or taken care of, in article 10 of the Act.

Tobacco may not be sold or handed over to persons younger than 18 years of age, article 8 of the Act. This prohibition shall be advertised in a conspicuous manner where tobacco is sold. Should there be any doubt as to the age of the purchaser a sale can only take place if the purchaser shows identification attesting that he has reached 18 years of age.

## **2.2.2. Advertising**

### **2.2.2.1. General rules**

Any kind of advertising of tobacco and smokers' requisites is prohibited. Furthermore, it is prohibited to show the consumption or any kind of display of tobacco in advertisements or information concerning other kinds of products or services with illustrations on the goods.

The terms for advertisements include among others:

1. Any kind of public announcements or announcements aimed at specific target groups, including displays in shop windows, any kind of signs and similar equipment.
2. All use of traditional tobacco brand names.
3. Any kind of media discussion concerning particular brands unless it is clearly specifically aimed at providing information intended to reduce the harmful effects of the use of tobacco.
4. The distribution of product samples to consumers.

All media coverage about particular tobacco brands is banned unless it is clear that the aim is to give information about the harmfulness of tobacco use. But in 1987 the Supreme Court in Iceland ruled that a magazine article with a general description of tobacco products was permissible.<sup>2</sup>

Special provisions for minors are in article 8 of the Act; tobacco may neither be sold nor handed over to persons under 18 years of age. This prohibition shall be advertised in a conspicuous manner where tobacco is sold. Should there be any doubt as to the age of the buyer the sale can only take place if he shows identification attesting that he has reached 18 years of age.

### **2.2.2.2. By media**

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<sup>2</sup> HRD. 1987:394.

**2.2.2.2.1. Television**

Act on the Prevention of the Use of Tobacco No. 74/1984 prohibits advertising and presentations regarding tobacco products in this media.

**2.2.2.2.2. Radio**

Act on the Prevention of the Use of Tobacco No. 74/1984 prohibits advertising and presentations regarding tobacco products in this media.

#### **2.2.2.2.3. Press**

Act on the Prevention of the Use of Tobacco No. 74/1984 prohibits advertising and presentations regarding tobacco products in this media. However, this ban does not apply to advertisements in foreign publications by foreign parties, if their main objective is not to advertise such products.

#### **2.2.2.2.4. Posters**

All forms of advertising tobacco products in this media is prohibited by the Act on the Prevention of the Use of Tobacco No. 74/1984.

#### **2.2.2.2.5. Cinema**

All forms of advertising tobacco products in this media is prohibited by the Act on the Prevention of the Use of Tobacco No. 74/1984.

#### **2.2.2.2.6. Internet**

With regards to web sites belonging to Icelandic companies, the general ban on advertisements in the Act on the Prevention of the Use of Tobacco is likely applicable.

### **2.3. DRUGS AND HEALTH**

#### **2.3.1. The Medicinal Products Act No. 93/1994**

##### **2.3.1.1. General rules**

The Medicinal Products Act No. 93/1994 makes no distinction between human and veterinary drugs, therefore all the same prerequisite is in effect for both types of drugs. In general, drugs and treatments are classified as non-prescription drugs and treatments and prescription drugs and treatments. As a result whether or not drugs can be advertised and if so under what restrictions is on conditioned of the classification set forth in the pharmacology list. For example, contraceptives require a prescription in Iceland and cannot be generally promoted or advertised. The Medicinal Control Agency regulates the implementations of the rules set forth in the Medicinal Products Acts.

##### **2.3.1.2. Rules regarding advertising**

### **2.3.1.2.1. General**

The Medicinal Control Agency regulates the accuracy of advertisements of drugs. A total ban on public advertising can be implemented if an advertisement contains wrong or inadequate information. Furthermore, the agency can demand that advertisers distribute any corrections or supplementary explanations. When there is a doubt about the legitimacy of the advertisement the agency shall seek counsel from the Competition Council.

Different bans or conditions are stipulated in the Medicinal Products Act with regards to the advertising drugs. First of all, a distinction is made between advertising that targets the public and advertising aimed at professional health care providers. According to article 13 of the Act, as a general rule drug advertisements are banned, with few exceptions. Free samples may only be handed over to professional health care providers and according to the formal procedure as stipulated in Article 17 of the Act.

Second, all forms of general public advertising for drugs or medical treatment, which are unavailable without prescription in Iceland, is prohibited.

There are no special provisions for minors, the advertising ban and other restrictions on advertising are general and therefore also applicable for minors.

### **2.3.1.2.2. By media**

#### **2.3.1.2.2.1. Television**

Advertisements about drugs are prohibited. No special provisions are made regarding teleshopping for non-prescription drugs or treatments, as the veto on advertising drugs on television covers it. Therefore, the ban is general and applies to minors. Also, because of the general ban on television advertising of drugs, sponsorship by companies whose activities comprise the manufacturing or sale of drugs and medical treatments can only consist of stipulating the name or image of the company, but may not refer to the drugs or medical treatment in Iceland. This general advertising ban goes further than Art. 14 of the Directive of Television without Frontiers.

#### **2.3.1.2.2.2. Radio**

Non-prescriptions drugs can be promoted and advertised to the general public.

#### **2.3.1.2.2.3. Press**

Non-prescriptions drugs can be promoted and advertised to the general public. Generally all advertisements and public announcements about non-prescription drugs can be presented in trade magazines for pharmacists and doctors. Moreover, prescription drugs and treatments can be promoted to the same professionals, but care must be made so that the promotion is unlikely to reach the general public, (Art.14).

**2.3.1.2.2.4. Posters**

Non-prescriptions drugs can be promoted and advertised to the general public.

#### **2.3.1.2.2.5. Cinema**

There are no special provisions regarding drug advertisements in this media in the Medicinal Products Act or other Icelandic legislation. Presumably, the same general ban on advertising that is stipulated for television will apply.

#### **2.3.1.2.2.6. Internet**

There are no special provisions regarding this media in the Icelandic legislation

#### **2.3.1.3. Miscellaneous subjects**

##### **2.3.1.3.1. General rules regarding advertising**

The Regulation about labels, advertisements and promotions for food products No. 588/1993 stipulates in Article 6; deceitful statements about the food product quality is prohibited if in fact all other food products of this kind have those same qualities.

Furthermore, statements that the food products have either medical healing powers or preventive measures are prohibited.

Apart from the particular regulatory frame regarding alcohol, tobacco and drugs, *infra*, there are no further individual restrictions or rules about advertising goods or services in connection with drugs or health. As a result the rules in the Competition Act and in the Broadcast Act *vis-à-vis* advertising serve as general guidelines for advertising on all other subject matter in connection with drugs and health.

no specific regulation applies for the various media.

##### **2.3.1.3.2. By media**

###### **2.3.1.3.2.1. Television**

No special provisions are for this media.

###### **2.3.1.3.2.2. Radio**

No special provisions are for this media.

###### **2.3.1.3.2.3. Press**

No special provisions are for this media.



#### **2.3.1.3.2.4. Posters**

No special provisions are for this media.

#### **2.3.1.3.2.5. Cinema**

No special provisions are for this media.

#### **2.3.1.3.2.6. Internet**

No special provisions are for this media.

### **2.4. VEHICLES**

#### **2.4.1. General rules**

Traffic law No. 50/1987 regulates the subject of classification of vehicles into different categories, driver's license and the terms pertaining to the license in order to be able to drive and the terms for admittance to motor vehicles driver's schools:

Required age to drive for the different categories of vehicles:

- 7 years: be able to ride a bicycle on a road without the guidance and supervision of a person - at least 15 years of age (article 40).
- 16 years: motorised bicycles (article 55).
- 16 years: a licence to learn on the condition that the applicant has reached the age where there are only 12 months before the date of 17 years and will only drive accompanied with a licensed driver. Also, the vehicle must be specifically marked (article 57).
- 17 years: motorcycles and motorised vehicles (article 48), a temporary licence is issued for two years.
- 20 years: motorised vehicles for the transportation of persons.

#### **2.4.2. Regulations regarding advertising**

##### **2.4.2.1. General**

There are no specific provisions about advertising and vehicles, either in regards of minors or adults. However, the general rules for advertising stipulated both in the Competition Act and the Broadcast Act are appropriate. Moreover, the Traffic Council of Iceland has vast discretionary power stipulated in article 112 of

the Act, to implement enhanced traffic schedules through advertisements, education and co-operation with both county traffic committees and interested parties. The Traffic Council has daily cautionary broadcasts on the National Public Radio and is influential in all forms of media. For example, through the co-operation with various organisations in Iceland, advertisements cautioning the public driving without seatbelts, driving intoxicated and speed driving have appeared on radio, television, and newspapers and on traffic signs.

#### **2.4.2.2. *By media***

##### **2.4.2.2.1. *Television***

no special provisions are for this media.

##### **2.4.2.2.2. *Radio***

no special provisions are for this media.

##### **2.4.2.2.3. *Press***

no special provisions are for this media.

##### **2.4.2.2.4. *Posters***

no special provisions are for this media.

##### **2.4.2.2.5. *Cinema***

no special provisions are for this media.

##### **2.4.2.2.6. *Internet***

no special provisions are for this media.

## **2.5. EDUCATION**

### **2.5.1. General rules**

The Compulsory School Act, No. 66/1995 contains the following clauses about minors and compelled schooling;

- A minor is subject to schooling for a period of 10 years, between the ages of 6 and 16 years (article 3)

- The obligatory schooling is full time until 16 years old and contains 10 years of primary schooling (articles 3 and 27)
- Parents or guardians of a minor bear the responsibility that the minor should attend school for the obligatory period (article 6)

## **2.5.2. Advertising**

### **2.5.2.1. General**

There are no special provisions in the Icelandic law on commercial advertising, promotion or access to the educational facilities. The school principal as the director of a compulsory school is responsible for its activities and provides professional leadership (article 14 of the Compulsory School Act). The school principal must agree to all outside activities in the school and therefore no distribution of reading materials or gifts to students can occur without his authorisation. The same applies to all other commercial or non-commercial promotions and advertising.

Additionally, the provisions in the Competition Act about advertising and minors are applicable.

### **2.5.2.2. By media**

#### **2.5.2.2.1. Television**

no special provisions are for this media.

#### **2.5.2.2.2. Radio**

no special provisions are for this media.

#### **2.5.2.2.3. Press**

no special provisions are for this media.

#### **2.5.2.2.4. Posters**

no special provisions are for this media.

#### **2.5.2.2.5. Cinema**

no special provisions are for this media.

#### **2.5.2.2.6. Internet**

no special provisions are for this media.

## **2.6. TOYS AND OBJECTS FOR CHILDREN**

### **2.6.1. *General rules***

There is no legal definition of a toy in the Icelandic law, but Regulation No. 408/1994 about the safety of toys and dangerous artefacts is applicable for toys, which are obviously designed as toys for minors under the age of 14 years.

Toys shall be labelled according to EEA regulations, with special attention drawn to the appropriate warning and precautions on certain types of toys, see article 7 of the Regulation. A Governmental Agency for accreditation, legal metrology, market surveillance, metrology, electrical safety, inspects whether goods on the market comply with the EEA regulations on labelling, see, Act on safety of goods and civil market surveillance No. 134/1995 and Act on the Agency for Accreditation No. 55/1996. The Department of Industry and Trade govern this agency.

### **2.6.2. Rules regarding advertising**

#### **2.6.2.1. *General***

There are no specific provisions regarding advertising for toys and objects for children targeting minors in effect. Nonetheless, the general rules about advertising stipulated in the Competition Act and the Broadcast Act, *infra*, apply to toys and other objects for children. Consequently the conditions set therein serve the purpose of protecting the minors against the hazardous effect of advertising, see *infra*. The greatest weight is the provision in the third paragraph of article 22 in Act of Competition that advertisements shall be presented on the assumption that they will be seen and heard by children, and shall in no way be offensive to them. For example the Competition Authority ruled in a recent case that an advertisement featuring a young man holding a dog with a gun pointed at the dog's head with a text: "Tune on X or I will shoot your dog" was in violation with the Article. The advertisement was banned and requested that it would be removed from the media.

#### **2.6.2.2. *By media***

##### **2.6.2.2.1. *Television***

no special provisions are for this media.

##### **2.6.2.2.2. *Radio***

no special provisions are for this media.

#### **2.6.2.2.3. Press**

no special provisions are for this media.

#### **2.6.2.2.4. Posters**

no special provisions are for this media.

#### **2.6.2.2.5. Cinema**

no special provisions are for this media.

#### **2.6.2.2.6. Internet**

no special provisions are for this media.

### **2.7. FINANCIAL SERVICES**

#### **2.7.1. General rules**

##### **2.7.1.1. Banking access for minors**

Article 29 of the Law in Respect of Children No. 20/1992: a minor is entitled to the guardianship of his parents, who have custodial duties towards the minor until he reaches the age to be competent to manage his personal affairs.

The custody of a child entails the guardians' right and duty to manage the child's personal affairs and perform other parental duties and also to manage the child's financial affairs, as provided for by the Law of Maturity No. 71/1997.

A minor may be able to open a savings account, deposit and withdraw money depending on the source of the money because of the distinction made in article 75 of the Law in Respect of Maturity makes on incomes earned by labour and unconditioned gifts and other incomes.

##### **2.7.1.2. Capacity of the minor regarding savings**

A minor has control over the money acquired from his own labour and from gifts received, including money, unless the donor has expressly stated otherwise. Although, under special circumstances, the minor may be deprived of this authority. As a result the minor can generally contract legally about subjects connected to his wages or personal gifts.

However, particular conditions stipulated in the Law in Respect of Maturity must be met in order for a valid contract when one of the contracting parties is a minor.

Those conditions are:

- a) If the total property owned by a minor exceeds IKR 500.000, (about 6900 Euros) must be guarded, after consultation with the District Magistrate who acts as a head custodian in the relevant district.
- b) All transactions concerning either the sale or purchase of real estate, registered vessels, aircraft, motorised vehicles and companies are subject to an approval by the District Magistrate.
- c) The District Magistrate must approve all lease agreements that have duration for over three years.
- d) The District Magistrate must approve major or unusual transaction compared to the minor's financial capabilities.
- e) Liens, mortgages or other pledges on real estates, registered ships; aircrafts, motor vehicles and companies are conditioned on the consent of the District Magistrate. Similarly, the District Magistrate must approve transactions involving securities, bonds, bank accounts or other chattels when their worth is considerable..

Certain types of contracts are prohibited for a minor to enter into, particularly contracts about underwriting debts for a third party and loan contracts. The District Magistrate can under extraordinary circumstances make an exception to this rule.

## **2.7.2. Regulations regarding advertising**

### **2.7.2.1. General**

All banks in Iceland are subject to the surveillance of the Financial Supervisory Authority (FME), which is the governmental body responsible for the official regulation and supervision of financial operations in Iceland. FME ensures that the activities of parties subject to supervision are in accordance with laws, regulations, rules or by-laws governing such activities, and that they are in other respects consistent with sound and proper business practices.

The banks and financial institutions in Iceland have all implemented their own internal rules about finances of minors. Their goal is full compliance with the Law in Respect of Maturity, but the rules tend to add further protection and restrictions to the provisions set forth in the law. For example, a minor under the age of 11 years is unable to open a savings account without the approval of his



parents or guardian. Additionally, several restrictions are set in relation to withdrawals from accounts.

Icelandic law has no special stipulations about advertising banks or other financial companies. Even so articles 20 and 21 in the Competition Act, *infra*, convey the principle that advertising must not abuse or mislead consumers with wrong information. However, Article 13 of the Act of Consumer Credit No.21/1994 contains the following rule about advertising. Advertisements or offers available to the public must contain interest rates, cost of loans and annual rates. No special provisions are for minors and the rules in the Law in Respect of Maturity govern transactions of this kind.

### **2.7.2.2. *By media***

#### **2.7.2.2.1. *Television***

no special provisions are for this media.

#### **2.7.2.2.2. *Radio***

no special provisions are for this media.

#### **2.7.2.2.3. *Press***

no special provisions are for this media.

#### **2.7.2.2.4. *Posters***

no special provisions are for this media.

#### **2.7.2.2.5. *Cinema***

no special provisions are for this media.

#### **2.7.2.2.6. *Internet***

no special provisions are for this media.

## **2.8. LEISURE**

### **2.8.1. General rules**

## **Sports**

The Legislative Act on Sports No. 64/1998 has broad rules both for sports activities within the school and outside of them. Sports shall be taught in all primary and secondary schools in the country as further set out in the legislation. Every minor shall be taught to swim unless exempted by a physician for health reasons. The Ministry of Education is responsible for establishing more detailed rules on safety measures in sports facilities, article 11 of the Act.

### **Access of minors to certain public facilities**

Child Protection Committee supervises any dramatic production, exhibitions or other public exhibition or entertainment intended for youth, article 56 of the Children and Youth Protection Act, No. 58/1992. Furthermore, anyone in charge of organising an entertainment gathering or exhibition where children can be expected to attend must notify the Committee, as well as provide the Committee with an opportunity to view the exhibition prior to public opening. If the Child Protection Committee considers the entertainment to be in any way harmful to children, the Committee can prohibit children younger than a certain age from attending. Such a prohibition must be mentioned in advertising at the expense of those in charge of the entertainment, who also must ensure that the prohibition is respected, article 56 of the Act.

A general curfew is in effect for youngsters; minors twelve years of age or younger may not be out-doors after eight o'clock in the evening unless accompanied by an adult. Similarly, minors aged from thirteen to sixteen years have a curfew after ten o'clock in the evening, unless on their way home from an approved gathering at school or of a sports or youth association. During the period from May 1 to September 1 this authorised time for minors is extended by two hours, article 57 of the Act.

Admission of children and youth to dances and other entertainment is strictly regulated in article 58 of the Act. Minors younger than sixteen years of age are only permitted to enter or take part in dances especially intended for youngsters or families and organised by schools, youth groups or others who have permission for this purpose. Non-compliance with this provision will result in loss of the permit to hold public entertainment for a shorter or a longer period of time, depending on the type of breach.

Admittance to premises licensed to sell alcoholic beverages is restricted to youths over the age of eighteen, unless young persons are accompanied by a parent, guardian, or spouse. Licence holders shall ensure compliance with the provision

on penalty of losing their liquor licence, article 19 of the Alcohol Control Act, No. 75/1998.

## **Films**

Act on the inspection of films and prohibiting of films containing violence, No. 47/1995 imposes a general ban on the production or importing of films containing violence, (Art. 1). In addition it is prohibited to show, distribute or sell such films. What constitutes as a film containing violence is defined in the second paragraph of article 1 as: “any film, which specifically emphasises the depiction of any type of physical maltreatment or brutal and abhorrent methods of killing people or animals.” Films intended for public exhibition or distribution are subject to an examination by the Film Inspection.

The inspection rules whether the film is considered to be a film containing violence, as defined by the Act and whether the film is suitable for children. If a film is assumed to have a harmful influence on the mental or moral health of minors, the authority can decide that the film is unsuitable to view for minors younger than 16 years of age or of a specific younger maturity in accordance with specific provisions of Regulation (article 3). Whenever a film is shown in a cinema, it is the responsibility of the cinema owner to enforce the ban and parents or guardians cannot waive those restrictions on behalf of their minors.

Television stations handle the examination of films that are intended for their broadcasting in co-operation with the inspection authorities.

### **2.8.2. Rules regarding advertising**

#### **2.8.2.1. General**

There are no special provisions about advertising in the relevant legislation about leisure. However, the general rules of the Competition Act apply to this sector.

#### **2.8.2.2. By media**

##### **2.8.2.2.1. Television**

no special provisions are for this media.

##### **2.8.2.2.2. Radio**

no special provisions are for this media.

### **2.8.2.2.3. Press**

no special provisions are for this media.

### **2.8.2.2.4. Posters**

no special provisions are for this media.

### **2.8.2.2.5. Cinema**

no special provisions are for this media.

### **2.8.2.2.6. Internet**

no special provisions are for this media.

## **2.9. WEAPONS**

### **2.9.1. General rules**

The Weapons Act No. 16/1998 establishes strict rules about an extensive list of weapons, firearms, fireworks, explosives, and associated products. A special licence is required to manufacture, import/export or sell commercially aforementioned items. Second, the State Commissioner of Police must authorise such activities after receiving recommendations from the Vinnueftirlit Ríkisins. Applicants must beforehand have a general firearms-permit, which is issued by the chief of police in each county, if the applicant satisfies the strict conditions set forth in article 12 and 13 of the Act. Such permit is only issued to persons that are at least 20 years of age. Moreover, particular dangerous weapons, which are described in the Act, are totally banned in Iceland.

### **2.9.2. Rules regarding advertising**

#### **2.9.2.1. General**

There are no specific provisions for advertising in the Weapons Act; it should be presumed that advertising weapons would be prohibited due to the rules in the Competition Act.

**2.9.2.2. By media**

**2.9.2.2.1. Television**

no special provisions are for this media.

**2.9.2.2.2. Radio**

no special provisions are for this media.

**2.9.2.2.3. Press**

no special provisions are for this media.

**2.9.2.2.4. Posters**

no special provisions are for this media.

**2.9.2.2.5. Cinema**

no special provisions are for this media.

**2.9.2.2.6. Internet**

no special provisions are for this media.

**2.10. PUBLIC PROVISIONS**

**2.10.1. General rules**

N/A

**2.10.2. Rules regarding advertising**

**2.10.2.1. General**

N/A

**2.10.2.2. By media**

N/A

### **3. Proposals of legislation on advertising directed at children**

At the time this report was written, no proposals of legislation on advertising directed at children were before the Icelandic Parliament (Althingi).<sup>3</sup>

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<sup>3</sup> August 2000 and revision in January 2001.

### **III. SPECIAL MEANS OF COMMUNICATION**

#### **1. Direct Marketing**

In the last few years Iceland has experienced increased direct marketing techniques, where a database with information about the name of a minors, his age and address is used to contact the guardians of a minor for commercial purposes. Those methods cover a wide range of services and goods, e.g. banking services, cheese- promotions. There are no specific acts or rules, which direct those marketing techniques. Subsequently the general rule banning all deceitful or misleading advertising in the Competition Act applies. However, the use of personal information from data is now regulated by the Act on Protection of Privacy and Process of Personal Data No. 77/2000, which implements the implements Directive 95/46/EC and Directive 97/66/EC of the European Parliament and of the Council of 15 December 1997.

Presumably it is the minors, who are the aim of such marketing techniques, but because it is the guardian who is being promoted, it is difficult to realise if and to what extent the regulation concerning protection for minors and advertising has effect. Joint offers of products and services are permissible in Iceland if the offers comply with the general rules in chapter VI of the Competition Act about control with respect to unfair trade practices.

According to Article 14 of the Doorstep Selling and Distance Trading Act No. 46/2000 unsolicited calls using automated calling system or telefax is prohibited unless the particular customer has made a prior request for such calls. Suppliers are obligated to inspect regularly the lists at the Civil Registration System regarding reservations against unsolicited calls. Moreover, if customers are sent unsolicited mail or electronic mail they are to be given the opportunity to refuse further such marketing offers.

#### **2. Promotional Sales Practices**

As a general rule it is permissible to provide and advertise any collateral gift or similiar inducement in marketing. The Competition Act No. 8/1993 has no specific provision regarding promotional sales practices, therefore no limitations is set on the value of such gifts. However, such practice must be in accordance with the general provisions of chapter VI. of the Competition Act. Additionally Art. 20 of the Act contains a general ban on any activity in the course of business

operation which is contrary to good business practice, or any activity which is improper with regard to the interests of consumers.

### **3. Internet**

Consumers and especially minors are susceptible to marketing activities on the internet. There are no special provisions regarding marketing or advertising in the Icelandic legislation, so the general provisions in the Competition Act and Doorstep Selling and Distance Trading Act apply in this media.



## IV. HANDLING OF COMPLAINTS

Complaints concerning advertising can be made to a variety of public agencies, committees, council, the SIA Ethics Committee and directly to the distributor of advertising. Every organisation in conjunction with advertising in the Icelandic media has an internal system of self-discipline.

### **1. Self-regulation**

#### **1.1. Code of Ethics and the Advertising Code of the International Chamber of Commerce**

The Society of Icelandic Advertising Agencies (SIA) has implemented the Code of Ethics for the members of SIA. All the largest advertising companies in Iceland are members of SIA and the Code of Ethics is intended to serve as general rules and guidelines about the content and form of advertisements. In addition the SIA Ethics Committee relies on the Advertising Code of the International Chambers of Commerce.

As a general rule advertisement from SIA members are not inspected specifically with regards to contents by the internal advertising departments of the media. Rather it is relied upon SIA to keep its members informed on the appropriateness of the advertising through the Code of Ethics and the Advertising Code. The existence of the SIA Ethics Committee, supra, strengthens the conformity with the law and rules about advertising.

#### **1.2. SIA Ethics Committee**

The Ethics Committee of the Society of Icelandic Advertising Agencies (SIA) implements the SIA Ethics Code and the Advertising Code. Any person or association can file a complaint in relation to a breach of the Code of Ethics and or other breaches of regulations about advertising. The Ethics Committee can also start proceedings on its own initiative.

The complaint must be written and a detailed description of the advertising in issue is required. There are three possible venues for the handling of the complaint. First, if the advertising is not considered a violation of the Ethics Code the complaint is dismissed. Second, provided that the advertisement is only a minor breach of the rules concerned, a correction will be demanded and a

report to the participants of the Ethics Committee is circulated to the SIA members. Third a major violation of the Code of Ethics constitutes a requirement by the Committee to cease the advertising. Further, an adjustment to the germane standard of advertising as set forth in the regulatory milieu of advertising is required accompanied with an explanation from the person responsible for the advertisement in issue. In the case of a refusal to modify Denial, an alternative to resolve the dispute is offered with arbitration by the Icelandic Chamber of Commerce. Whenever the arbitration method is declined, the final resource for the Ethics Committee is to advise the complainant to litigate the complaint in the Icelandic district courts. Statement about the procedure and the outcome is sent to members of SIA and to the complainant. It is permissible to declare the decision of the Committee publicly, but the names of participants shall only be publicised in a case of a major breach when the Committee has determined such publication.

The intervention of the Ethics Committee is limited to advertising and does not extend to other commercial practices (promotional sales, execution of the warrantee of a contract, etc) or in the editorial content of media. Disputes between competitors or other private interests are also outside the committee's control.

The number of complaints to the SIA Ethics Committee is not known.

## **2. Administration process**

### **2.1. Competition Council**

Every person or association can make a formal complaint with the Competition Council whenever an alleged violation of the laws of the Competition Act has occurred. In the Act itself there are few detailed provisions with reference to the administration process. The reason is that the Law of Administration no. 37/1993 encompasses that area and applies to those procedures.

The Minister of Commerce governs over the implementation of this Act, but the administration of matters is with the Competition Council, the Competition Authority and the Competition Appeals Committee. The role of the Competition Council is to enforce the provisions and prohibitions of the Act and decide on appropriate measures to be taken against non-compliance with the laws.

The Competition Council has a committee called the Advertisements Committee for counsel in matters involving incidents of presumed violations of article 21 and 22 of the Act. This Committee shall consider advertisements and observe that advertising does not provide incorrect, incomplete or misleading

information. The Minister and the Competition Council nominate the Committee members. The Minister issues rules of procedure for the Committee and the Committee makes recommendations on the resolution of individual matters to the Competition Council.

The decisions of the Competition Council and the Competition Authority may be appealed to Competition Appeals Committee but an appeal will not suspend the commencement of the decision. The Competition Appeals Committee is composed of three members appointed by the Minister following nomination by the Supreme Court.

The Competition Authority may request any information from private parties and from other administrative authorities, deemed necessary for the investigation of individual cases.

The Competition Authority may, when a case is under investigation, perform the necessary inspections on the premises of an undertaking and seize documents and other evidence when there are convincing reasons to believe that this Law or the decisions of the competition authorities have been violated.

The relevant chapter in the Competition Act is chapter VI; "Control with Respect to Unfair Trade Practices " with the general provisions about advertising. First of all, article 20 declares that: "Any activity in the course of business operation which is contrary to good business practice, or any activity which is improper with regard to the interests of consumers, is prohibited." The law in the Competition Act sets the limits of advertising in connection with fair trade, consumers' interests and good business practice. Therefore all deceitful advertising or methods liable to influence the demand or supply of goods or services are banned. Similarly, if the form or references of advertising is considered unfair advertising to competitors or consumers it shall be banned. More restrictions about advertising are set forth in articles 21 and 22 of the Act, *infra*.

The sanctions are in article 30; the Competition Council has the authority to take measures against any action performed in violation of the provisions of articles 20, 21 and 22. Those measures can comprise of prohibition, directives or conditioned authorisation.

In 1998 the Competition Council issued 15 sanctions against advertising, 2 of them were related to breaches of Article 22 of the Competition Act, paragraph 3 and 4. In 1999 the Council issued 10 sanctions against advertising, none were related to article 22. In 2000 6 sanctions were issued, again none relating to article 22.

## **2.2. The Council for the Icelandic National Broadcasting Service**

The council is an administrative authority that participates in the elaboration of the regulation of the audio-visual sector of The Icelandic National Broadcasting Service (RUV) an independent public service broadcaster, Article 7 of the National Broadcast Act No. 122/2000.

The Council consists of seven persons designated by the Icelandic Parliament with a mandate of four years. The main task of the Council is to advise on all questions related to the contents of the programmes of RUV and implement rules regarding the main obligation of RUV which is to promote the Icelandic language, Icelandic history and Iceland's cultural heritage. The RUV must also honour basic democratic rules, human rights and the freedom of speech and opinion according to the Act. The Council's decisions regarding programmes are final.

The number and evolution of complaints to the Council are not known.

### **2.3. Broadcasting Council**

The Broadcasting Council oversees all matters concerning the private sector of Broadcast and or television sectors in Iceland, which in this instance means every association except RUV. There are seven persons in this Council; they are designated by the Icelandic Parliament for a mandate of a four-year period. The purpose of the Broadcasting Council is twofold, first issuing temporarily broadcasting license with a maximum duration of seven years and second supervision in context to the conditions of the license, rules and regulations. The Council's decisions are final and can only be appealed in the general courts.

All persons, organisations and associations can make a formal complaint to the Council, which can also start proceedings on its own.

The Council works on two levels of competence: one the authorisation, the other the control. The latter power is provided with power to sanction operators in case of default in his legal or conventional obligations.

No records about complaints or decisions are available publicly, the Broadcasting Council is a relatively new regulatory agency and it is unlikely to have handled any complaints as of January 2001.

### **3. Judicial Proceedings**

Any person or legal entity with genuine personal legal interests can start legal proceedings in the district court or demand an injunction against advertising in contradiction with the general or specific rules and regulations.

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