

## Appendix 4

### Government's Role in Promoting Effective Advertising Standards: Principles

Advertising plays a fundamental role in stimulating economic growth and cross-border trade through the promotion of competition, consumer demand, and brand awareness. The APEC region represents more than 80 percent, and growing, of the global spend on advertising. Since 2012, APEC has undertaken efforts to promote the use of advertising standards and to align regulatory and self-regulatory approaches to international best practices.

In 2014, APEC Leaders endorsed the APEC Action Agenda on Advertising Standards in which APEC economies agreed that **“the goal of aligning advertising standards across the Asia-Pacific region will be conducive to the establishment and delivery of advertising services, which, in turn, will enable business growth, greater regional trade and investment in goods, non-tariff barrier reduction and drive economic growth among APEC economies.”**<sup>1</sup>

When implemented consistently with international best practice, advertising standards provide benefits to: governments, by freeing resources to focus on intransigent problems and enabling more tailored regulatory response; industry, through more predictable, faster, cost-efficient dispute resolution; and consumers, through the increased flow of information and build-up of trust in the market. As recognized by the Organization for Economic Cooperation and Development (“OECD”) self-regulation and advertising standards are a core component of an economy’s consumer protection framework and a necessary tool in its consumer policy toolkit.

To promote advertising standards and to meet APEC Ministers request that APEC economies undertake efforts to implement the 2014 Action Agenda, APEC economies therefore shall endeavor to:

1. **Encourage Self-Regulatory Action.** When consumer issues in advertising have been identified by stakeholders and it has been determined that an action needs to be taken, governments can consult with industry and other stakeholders to determine what policy options would be the most effective, and the role that self-regulation could play in addressing them.
2. **Provide Advice.** Governments can provide advice to industry on ways to design self-regulatory programs, keeping in mind the existing legal framework, and how self-regulation can advance consumer protection goals.
3. **Support Compliance.** When programs’ structure and existing regulation allow, governments can contribute to enforcing self-regulatory programs by case selection which considers the role of self-regulation

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<sup>1</sup> Doc. No. 2014/SOM3/045anx10.

4. **Promote Multi-stakeholder Dialogue.** Governments can promote dialogue with and among stakeholders in Industry-Led Self-Regulation (ISR), including civil society groups such as consumer organizations.
5. **Promote Effective Programs.** Governments can play an important role in monitoring, evaluating, and reporting the effectiveness of self-regulatory programs, and to promote best practices with the industries.
6. **Recognize Successful Programs.** Governments can play an important role in encouraging development of self-regulatory programs by publicly endorsing or otherwise recognizing the work of successful programs.

As recognized in the OECD report on Industry Self-Regulation and Use in Supporting Consumer Interests, internationally self-regulation may occur in a variety of formats and each has its own strengths and limitations.<sup>2</sup> The role of government will vary based on the program being implemented.

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<sup>2</sup> These principles and descriptions were drawn, with minor variation, from those identified by the OECD in its report No. DSTI/CP(2014)4/Final, *Industry Self-Regulation: Role and Use in Supporting Consumer Interests* (Mar. 23, 2015), available at, [http://ec.europa.eu/digital-agenda/sites/digital-agenda/files/dae-library/industry\\_self-regulation\\_-\\_role\\_and\\_use\\_in\\_supporting\\_consumer\\_interests.pdf](http://ec.europa.eu/digital-agenda/sites/digital-agenda/files/dae-library/industry_self-regulation_-_role_and_use_in_supporting_consumer_interests.pdf).