

ASCI updates its Code for Self-Regulation in Advertising

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Introduction

As online advertising rapidly permeates the digital world, the application of digital ads and sponsored content by different platforms and companies, particularly media companies, has also increased significantly in the past few years. While different companies have crafted their own means of engaging with online ads and promotional content, hosting of such promotional content on the respective social media handles of these companies has emerged as a common practice.

Such content, while aimed at enhancing awareness, when interspersed alongside other regular content by media houses on their social media page, runs the risk of being perceived as editorial content by the audience, resulting in concerns regarding undisclosed / misleading promotions among the consumer fraternity which have surfaced in the recent times.

In a bid to address these concerns which were levelled by the consumers about such unlabelled promotional content, the Advertising Standards Council of India (ASCI) recently updated its Code for Self-Regulation in Advertising. In essence, the update aims at ensuring a clear delineation of sponsored / promoted content hosted on social media handles of media companies through use of adequate disclosures, as explained in more detail below.

Primary constituents of the update

Under the new clause (clause 1.8), ASCI has now carved out certain disclosure requirements for advertisements or promotions posted on the handles of media companies. These disclosures ought to be *adequate, upfront* and be *displayed prominently* at the beginning of the post. To this end, ASCI has stipulated a set of permitted disclosure labels, of which one or more can be used by the media companies. These labels include terms such as - 'Advertisement', 'Ad', 'Sponsored', 'Free Gift', 'Collaboration', 'Partnership', etc.

The depiction and position of the labels should be such that the audience of such advertisements are able to discern the difference between editorial content and promotional content hosted on the same platform. Accordingly, if the content being viewed at, is an advertisement / a promoted content, the audience should be able to perceive them as an advertisement only and not as an editorial content, from the get-go.

Significance of the update

In view of the rising promotional posts across platforms today, such labelling requirements are highly critical from the perspective of maintaining editorial credibility of platforms alongside fostering consumer trust in the overall online advertising ecosystem. Such consumer centric developments also shed light on how ASCI has always been a stickler for vivid and transparent advertisements. For example, earlier in April 2025, ASCI had also updated its 'Influencer Advertising Guidelines' which aimed at enabling consumers to differentiate between generic promotions (or in the form of a public service message) and promotions of technical aspects of a service / product, given how the latter was often perceived as expert advice. Such

developments also pave way for ethical and informed advertising such that consumers are made aware of every aspect of the endorsement process including the endorser.

Way forward

Following this update, exercising caution and diligence while hosting any sponsored content on social media handles would be prudent for media companies. Importantly, as noted by ASCI, failure to do so may also cause traction from other regulators resulting in action or penalties on account of engaging in deceptive / unfair marketing practices. Additionally, given the relevance of advertising for all companies at large today, they can also benefit by adhering to responsibilities such as making truthful representations, adhering to standards of public decency, facilitating consumer's need to be informed on the available choices, etc., as advised earlier.

- Harsh Walia (Partner) and Akshita Singh (Associate)



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