

Advertising to Children in Canada A Reference Guide

Revised May 2006



ASSOCIATION OF CANADIAN ADVERTISERS
ASSOCIATION CANADIENNE DES ANNONCEURS



Advertising Standards Canada
Les normes canadiennes de la publicité



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Introduction

Advertising to children in Canada is an area of marketing and communications that Canadian industry treats with the highest degree of standards and accountability. Heralded around the world as one of the most comprehensive and complete systems of codes and standards for responsible advertising to children, the Canadian system is often referenced as the standard by which other countries are measured, and is cited frequently by such international groups as the World Health Organization.

An effective and transparent process, Canadian advertising to children operates under a three part system that is regularly reviewed and updated to ensure responsibility, accountability and respect for the child audience. While the Canadian system has been established and working effectively for over 25 years, the codes of conduct that make up that system are reviewed regularly and updated to keep pace with societal changes in the best interests of children. The strength of the system rests in its core components:

1. A *Broadcast Code for Advertising to Children (Children's Code)* that in very specific terms sets out what is allowed and what is *not* allowed when speaking to children. From safety, to no direct urges, factual presentation, production comparisons, well-known characters and social values, the *Code* content ensures that children are respected and protected.

The application of the *Children's Code* is equally as critical as its content. Every broadcast advertisement directed to children is precleared *before* it goes on air by a committee that includes representatives from the broadcast and advertising industry, as well as public representatives, including parents, who meet every other week to review each commercial against the *Children's Code*. At that time the commercial is either approved, rejected or sent back for changes.

The content and process is further strengthened by the ongoing review of the *Children's Code* itself to be sure that it remains relevant and effective in protecting the needs of children in a changing world. These reviews and subsequent changes are published on a regular basis in the *Children's Broadcast Advertising Clearance Bulletin* by Advertising Standards Canada.

2. Beyond broadcast, the *Canadian Code of Advertising Standards (Code)* provides a complaint-based response system for all advertising to children. Clauses 12 and 13 specifically address children's advertising and offer an important vehicle by which any individual can register a complaint/concern about advertising to children. Important to this code is its structure that only takes one complaint to trigger a review of an ad.

Perhaps the greatest testament to the success of the Canadian system is the fact that over the past four years, Advertising Standards Canada received virtually no complaints about advertising to children under the *Code* or the *Children's Code*.

3. While the industry works hard to do its job through both a pre-clearance and complaint based system, it is also recognized by many issue experts and government that media literacy education has a key role to play in the protection of children. Through Concerned Children's Advertisers industry takes this role very seriously and has created both a

television public service announcement (PSA) campaign for children as well as a parent/educator education program. Through social messaging on everything from bullying to active living, healthy eating and media literacy, industry is committed to playing an active role in helping children to make wise media and life choices.

With a system that is the envy of the world we have much to be proud of. But what remains most important is that our system continues to meet the needs of Canadian children. To learn more about the specifics of advertising to children in Canada, we encourage you to read the attached reference guide and to contact us if you have any questions or comments. Together we can ensure Canada remains at the forefront of responsible advertising to children.

Executive Summary

Advertisers, advertising agencies, the media and government in Canada have an established track record of treating advertising to children with sensitivity and respect, creating in the process a number of safeguards to ensure responsible communication practices. However, many of these safeguards are not well known outside industry. Lack of widespread awareness of the self-regulatory system's work in Canada, especially as it pertains to children and food advertising, can give rise to questions.

Canada is acknowledged for its long-held exemplary self-regulatory practices as well as its proactive approach to educating children about media literacy and healthy lifestyles. Canada is leading the way when it comes to responsible advertising, especially where it concerns children, and international governments, researchers and experts continue to reference and regard the Canadian system, approach and solutions, as evidenced by Canada being included in many other countries' research and discussions on this issue.

Canada's Regulatory Environment

To further increase the understanding of the role of regulation in advertising to children, including food advertising, the advertising industry - through **Advertising Standards Canada (ASC)**, **Association of Canadian Advertisers (ACA)**, **The Canadian Association of Broadcasters (CAB)**, **Concerned Children's Advertisers (CCA)**, and **Institute of Communication and Advertising (ICA)** - has published this *Reference Guide*.

Stringent regulatory systems to monitor advertising and respond to any complaints have been in place for decades, endorsed by the industry and government. In fact, broadcasters in Canada (except for Quebec, see Appendix) have agreed to adhere to the *Broadcast Code for Advertising to Children* as a CRTC condition of licence. As well, the *Canadian Code of Advertising Standards*, which covers all media, pays special attention to advertising to children.

A proactive educational mandate has been implemented by the industry through *Concerned Children's Advertisers*. CCA works closely with educators, government and industry to teach children media literacy skills and provides an assortment of positive educational experiences and social messaging that help children to develop healthy living skills.

Canadian Advertising Industry's Communication Process with Children

Canada has a four-part process in communicating with Canadian children in a way that is both responsible and respectful, through:

- The *Broadcast Code for Advertising to Children*
- *Canadian Code of Advertising Standards* (all media)
- Media Literacy Education
- Social Messaging on media and life issues for children, including Active Living and Healthy Eating

This comprehensive four-step process combines industry and government regulation with a robust complaint process, supported by media literacy education and social messaging – a powerful combination of initiatives that ensures Canada is a leader in responsible children's advertising. Each of these processes is detailed in this Reference Guide.

Canada has a long history of social messaging and, through CCA and its numerous partners, is actively promoting healthy lifestyles for Canadian children.

This activity will increase in fall 2004 with the launch of the Children's Healthy Active Living Program (CHALP) which will encourage children to: Eat Smart, Move More and Become Media Wise. Partners include educators, health experts, advertisers, ad agencies, the food industry, and government.

Purpose of this Reference Guide

This Guide is designed to serve as a reference to clearly identify what industry is continuing to do to ensure responsible advertising to children in Canada. Through self-regulated and government-mandated codes of conduct, advertisers comply with stringent regulations and also provide media literacy and other educational programs to teach children about healthy life choices.

More specifically, this Guide is designed:

- To increase awareness and understanding of the role of regulation of advertising to children in Canada, including food advertising, through examination of the codes in place, including the required preclearance process of all television advertising prior to going on air (except in Quebec).
- To build more public confidence about the advertising regulations in place, the process for complaint and review, and how this system protects children.
- To examine the role of the CCA whose strategy it is to create and implement initiatives that will educate, empower and benefit the children of Canada, as the credible, caring and authoritative voice of responsible children's advertising and communications.

I: Self-regulatory framework: Codes, Clearances and Processes

Advertising Standards Canada (ASC)

Background

The Canadian advertising industry is a pioneer in self-regulation. In 1957, a partnership among major advertising industry and media organizations resulted in the creation of the Canadian Advertising Advisory Board (renamed Advertising Standards Canada (ASC) in 1997) to promote responsible advertising and self-regulation.

ASC is the national, not-for-profit industry body committed to creating and maintaining community confidence in advertising. Its mission is to ensure the viability and integrity of advertising through industry self-regulation. ASC members include Canada's leading advertisers, communications and advertising agencies, media companies, and suppliers to the advertising sector. ASC also works closely with government and leading Canadian non-government organizations (NGO's).

Canadians are exposed to thousands of advertising messages every day. The advertising industry, through ASC, helps ensure public confidence in the integrity of Canadian advertising by:

- administering the *Canadian Code of Advertising Standards (Code)*, the principal instrument of advertising self-regulation, and
- preclearance of advertising in specific categories against pertinent government laws, regulations, and policies, and/or sectoral codes and guidelines.

Canadian Code of Advertising Standards

Recognizing the power of advertising as an economic driver and influencer of consumer choice and purchase decisions, the Canadian advertising industry understood the need to direct this force in a responsible manner. As a result, over forty years ago, in 1963, the industry published the first *Canadian Code of Advertising Standards* as the tangible expression of the Canadian advertising industry's commitment to responsible advertising.

Since the 1960s, the *Code* has been updated and modernized many times to ensure that it keeps up to date with both changes in Canadian society and social values and changes in the advertising environment.

The *Code* is not intended to replace the many federal, provincial, and municipal laws and guidelines that regulate advertising in Canada. Rather, it complements them and, in some cases, addresses issues and concerns not dealt with in other regulatory instruments and mechanisms.

Today, the *Code* applies to advertising for all products or services in any medium (with a few exceptions*). The *Code's* fourteen clauses set the criteria for acceptable advertising and are used to evaluate consumer or special interest group concerns about the content of advertising messages.

*Exceptions: packaging, labels, wrappers, and advertising in foreign media

Code Clauses

The following are excerpts from the Code. The full text can be found on ASC's website: www.adstandards.com

1. Accuracy and Clarity

(a) Advertisements must not contain inaccurate or deceptive claims, statements, illustrations or representations, either direct or implied, with regard to a product or service. In assessing the truthfulness and accuracy of a message, the concern is not with the intent of the sender or precise legality of the presentation. Rather, the focus is on the message as received or perceived, i.e. the general impression conveyed by the advertisement.

(b) Advertisements must not omit relevant information in a manner that, in the result, is deceptive.

(c) All pertinent details of an advertised offer must be clearly and understandably stated.

(d) Disclaimers and asterisked or footnoted information must not contradict more prominent aspects of the message and should be located and presented in such a manner as to be clearly visible and/or audible.

(e) Both in principle and practice, all advertising claims and representations must be supportable. If the support on which an advertised claim or representation depends is test or survey data, such data must be reasonably competent and reliable, reflecting accepted principles of research design and execution that characterize the current state of the art. At the same time, however, such research should be economically and technically feasible, with due recognition of the various costs of doing business.

(f) The entity that is the advertiser in an advocacy advertisement must be clearly identified as the advertiser in either or both the audio or video portion of the advocacy advertisement.

2. Disguised Advertising Techniques

No advertisement shall be presented in a format or style that conceals its commercial intent.

3. Price Claims

(a) No advertisement shall include deceptive price claims or discounts, unrealistic price comparisons or exaggerated claims as to worth or value. "Regular Price", "Suggested Retail Price", "Manufacturer's List Price" and "Fair Market Value" are deceptive terms when used by an advertiser to indicate a savings, unless they represent prices at which, in the market place where the advertisement appears, the advertiser actually sold a substantial volume of the advertised product or service within a reasonable period of time (such as six months) immediately before or after making the representation in the advertisement; or offered the product or service for sale in good faith for a substantial period of time (such as six months) immediately before or after making the representation in the advertisement.

(b) Where price discounts are offered, qualifying statements such as "up to", "XX off", etc., must be in easily readable type, in close proximity to the prices quoted and, where practical, legitimate regular prices must be included.

(c) Prices quoted in advertisements in Canadian media, other than in Canadian funds, must be so identified.

4. Bait and Switch

Advertisements must not misrepresent the consumer's opportunity to purchase the goods and services at the terms presented. If supply of the sale item is limited, or the seller can fulfil only limited demand, this must be clearly stated in the advertisement.

5. Guarantees

No advertisement shall offer a guarantee or warranty, unless the guarantee or warranty is fully explained as to conditions and limits and the name of the guarantor or warrantor is provided, or it is indicated where such information may be obtained.

6. Comparative Advertising

Advertisements must not, unfairly, discredit, disparage or attack other products, services, advertisements or companies, or exaggerate the nature or importance of competitive differences.

7. Testimonials

Testimonials, endorsements or representations of opinion or preference, must reflect the genuine, reasonably current opinion of the individual(s), group or organization making such representations, and must be based upon adequate information about or experience with the product or service being advertised, and must not otherwise be deceptive.

8. Professional or Scientific Claims

Advertisements must not distort the true meaning of statements made by professionals or scientific authorities. Advertising claims must not imply that they have a scientific basis that they do not truly possess. Any scientific, professional or authoritative claims or statements must be applicable to the Canadian context, unless otherwise clearly stated.

9. Imitation

No advertiser shall imitate the copy, slogans or illustrations of another advertiser in such a manner as to mislead the consumer.

10. Safety

Advertisements must not without reason, justifiable on educational or social grounds, display a disregard for safety by depicting situations that might reasonably be interpreted as encouraging unsafe or dangerous practices, or acts.

11. Superstition and Fears

Advertisements must not exploit superstitions or play upon fears to mislead the consumer.

12. Advertising to Children

Advertising that is directed to children must not exploit their credulity, lack of experience or their sense of loyalty, and must not present information or illustrations that might result in their physical, emotional or moral harm. Child-directed advertising in the broadcast media is separately regulated by the Broadcast Code for Advertising to Children, also administered by ASC. Advertising to children in Quebec is prohibited by the Quebec Consumer Protection Act.

13. Advertising to Minors

Products prohibited from sale to minors must not be advertised in such a way as to appeal particularly to persons under legal age, and people featured in advertisements for such products must be, and clearly seen to be, adults under the law.

14. Unacceptable Depictions and Portrayals

It is recognized that advertisements may be distasteful without necessarily conflicting with the provisions of this clause 14; and the fact that a particular product or service may be offensive to some people is not sufficient grounds for objecting to an advertisement for that product or service.

Advertisements shall not:

(a) condone any form of personal discrimination, including that based upon race, national origin, religion, sex or age;

(b) appear in a realistic manner to exploit, condone or incite violence; nor appear to condone or directly encourage, bullying; nor directly encourage, or exhibit obvious indifference to, unlawful behaviour;

(c) demean, denigrate or disparage any identifiable person, group of persons, firm, organization, industrial or commercial activity, profession, product or service or attempt to bring it or them into public contempt or ridicule;

(d) undermine human dignity; or display obvious indifference to, or encourage, gratuitously and without merit, conduct or attitudes that offend the standards of public decency prevailing among a significant segment of the population.

Children's Advertising under the Code

While the *Code* applies to advertising for all products and services, it also recognizes that children are vulnerable and deserve special attention. To this end, the *Code* contains two clauses that specifically address advertising to children and youth.

Clause 12 (Advertising to Children) applies to advertising directed to children in Canada that is exhibited in any medium, other than broadcast. (Child-directed advertising carried on radio or television is separately regulated under the *Broadcast Code of Advertising to Children*. See page 11 of this Guide.) The clause provides that advertising directed to children must not exploit their credulity, lack of experience or their sense of loyalty, and must not present information or illustrations that might result in their physical, emotional or moral harm.

Clause 13 (Advertising to Minors) provides that products prohibited from sale to minors must not be advertised in such a way as to appeal to persons under legal age; and people featured in advertisements for such products must be, and clearly seen to be, adults under the law.

Code Interpretation Guidelines

The *Code* is supplemented by Interpretation Guidelines designed to enhance advertising industry and public understanding of the interpretation and application of the *Code's* clauses. The Interpretation Guidelines are used by ASC to evaluate consumers' complaints.

Two Interpretation Guidelines relate specifically to advertising to children.

Interpretation Guideline #2 – General Advertising to Children

Clause 12 applies to any advertisement for goods or services that is directed to children, i.e. persons under the age of thirteen, via any media, including, without limitation, electronic media. In assessing whether or not advertisements directed to children contravene Clause 12, Council shall be guided by the following principles. Such advertisements should:

1. *use age-appropriate language that is easily understandable by children of the age to whom the advertisement is directed;*
2. *refrain from using content that might result in harm to children;*
3. *collect only the information reasonably required to allow the child to engage in the activity, e.g. collect only the minimal amount of personal information sufficient to determine the winner(s) in contests, games or sweepstakes-type of advertising to children;*
4. *limit the advertiser's right to deal with anyone other than the parents or guardians of children who win a contest, game or sweepstake's promotion;*
5. *require children to obtain their parent's and/or guardian's permission before they provide any information; and make reasonable efforts to ensure that parental consent is given;*
6. *refrain from using the data collected from children to advertise and promote products or services other than those designed for/appropriate for children;*
7. *not attempt to collect from children data related to the financial situation or to the privacy of any member of the family. Furthermore, advertisers must not, and must not ask for permission to, disclose personal information that may identify children to third parties without obtaining prior consent from parents or unless authorized by law. For this purpose, third parties do not include agents or others who provide support for operational purposes of a website and who do not use or disclose a child's personal information for any other purpose. (April 2006)*

Interpretation Guideline #3 – Food Product Advertising to Children

Food product advertising addressed to children that is inconsistent with the pertinent provisions of the Food and Drugs Act and Regulations, or the Canadian Food Inspection Agency's Guide to Food Labelling and Advertising shall be deemed to violate Clause 12 (Advertising to Children) of the Canadian Code of Advertising Standards. This Guideline is intended, among other purposes, to ensure that advertisements representing mealtime clearly and adequately depict the role of the product within the framework of a balanced diet, and snack foods are clearly presented as such, not as substitutes for meals. (April 2004)

Responding to Consumers' Complaints

In addition to enshrining standards of responsible advertising in the *Code*, the Canadian advertising industry recognized the importance of an effective and responsive consumer

complaint process. The *Code* establishes a mechanism under which consumers' concerns about specific advertisements are reviewed and adjudicated by an independent and objective body.

Upon receipt of a written consumer's complaint, ASC's Standards Division staff evaluates the advertising against the provisions of the *Code*. If, based on the cited concern, a potential issue is identified under a *Code* clause, the advertiser is requested to respond regarding the merits of the complaint. It takes only one complaint to initiate a review of an advertisement.

Following receipt of the advertiser's response, complaints that raise a *Code* issue may be referred to one of the five national and regional Consumer Response Councils for review and adjudication. Councils are located in Ontario, Quebec, Alberta, Atlantic Canada, and British Columbia. These independent Councils, composed of senior advertising industry and public representatives, volunteer their time to support the self-regulatory process. Councils meet on a regular basis to adjudicate consumers' complaints about advertising.

If a Council determines that an advertisement violates the *Code*, the advertiser is requested to appropriately amend or withdraw it within a specified timeframe. An appeal mechanism is available to advertisers or consumers who wish to appeal a Council decision.

On the very rare occasion that an advertiser does not comply with a decision, the exhibiting media are notified and generally will not broadcast or display the advertisement.

Reporting on Consumers' Complaints about Advertising

ASC reports on consumers' complaints that it receives about advertising in its *Ad Complaints Reports*. The *Reports* provide statistical information, as well as summaries of consumers' complaints about advertisements that have been found to contravene the *Canadian Code of Advertising Standards*. (*Ad Complaints Reports* are available on ASC's website: www.adstandards.com)

ASC receives approximately 1,200 complaints from consumers about advertising in a typical year. However, because of the effectiveness of Canada's self-regulatory system for children's advertising, ASC receives virtually no complaints from consumers about children's advertising. In the past four years, ASC did not receive any complaints about broadcast advertising to children, and received only one complaint about a child-directed non-broadcast advertisement (the complaint was determined to not raise an issue under the *Code*).

Broadcast Code for Advertising to Children

The special characteristics of the children's audience have long been recognized by Canadian broadcasters and advertisers.

In 1971, the Canadian Association of Broadcasters' *Broadcast Code for Advertising to Children (Children's Code)* was created. As enunciated in the Background to the *Children's Code*, its purpose is to "serve as a guide to advertisers and agencies in preparing commercial messages which adequately recognize the special characteristics of the children's audience. Children, especially the very young, live in a world that is part imaginary, part real and sometimes do not distinguish clearly between the two. Children's advertising should respect and not abuse the power of the child's imagination."

The *Children's Code* was designed to complement the general principles for ethical advertising outlined in the *Canadian Code of Advertising Standards* which applies to all advertising. Both *Codes* are supplementary to all federal and provincial laws and regulations governing advertising, including those regulations and procedures established by the Canadian Radio-television and Telecommunications Commission (CRTC), Industry Canada, and Health Canada.

All children's broadcast advertising (except in Quebec where advertising to children is prohibited) must conform to the provisions of the *Children's Code* and be approved prior to broadcast (precleared) by the Children's Clearance Committee, administered by ASC. The *Children's Code* defines children as persons under 12 years of age.

Since 1974, broadcasters have agreed to adhere to the *Children's Code* as a CRTC condition of broadcast licence. As well, although 12-minutes per hour of advertising overall are permitted by regulation in Canada, broadcasters have voluntarily restricted themselves to an 8-minute limit within children's programming.

In addition to governing the content of children's broadcast advertising, the *Children's Code* also addresses scheduling with particular attention to preschoolers, to ensure that commercial messages scheduled for viewing during the school day morning hours are directed to the family, parent or adults, rather than to children.

Children's Code Clauses

The following are excerpts from the *Children's Code*. The full text can be found at ASC's website: www.adstandards.com

1. Definitions

(a) *Children's advertising* - refers to any paid commercial message that is carried in or immediately adjacent to a children's program. Children's advertising also includes any commercial message that is determined by the broadcaster as being directed to children and is carried in or immediately adjacent to any other program.

(b) *Children* - "Children" refers to persons under 12 years of age.

(c) *Child Directed Message* - "A child directed message" is a commercial message on behalf of a product or service for which children are the only users or form a substantial part of the market as users, and the message (i.e. language, selling points, visuals) is presented in a manner that is directed primarily to children.

(d) *Children's Program* - A "children's program" is a program that is directed to the under-12 audience, as defined by the broadcaster.

(e) *Commercial Message* - A "commercial message" has the same meaning as that defined in the *Television Broadcasting Regulations, 1987*.

(f) *Premium* - A "premium" is anything offered with or without additional cost, and is conditional upon the purchase of the advertiser's regular product or service.

(g) *The Code* - This Code shall be known as "The Broadcast Code for Advertising to Children" and shall hereinafter be referred to as "the Code".

2. Jurisdiction

All Children's advertising must conform to the Code, be pre-cleared in accordance with the procedures set out from time to time by ASC and have the requisite ASC clearance number.

3. Factual Presentation

(a) No children's advertising may employ any device or technique that attempts to transmit messages below the threshold of normal awareness.

(b) Written, sound, photographic and other visual presentations must not exaggerate service, product or premium characteristics, such as performance, speed, size, colour, durability, etc.

(c) The relative size of the product must be clearly established.

(d) When children's advertising shows results from a drawing, construction, craft or modelling toy or kit, the results should be reasonably attainable by an average child.

(e) The words "new", "introducing", "introduces" or similar words may be used in the same context in any children's advertising for a period of up to one year only.

4. Product Prohibitions

(a) Products not intended for use by children advertised either directly or through promotions that are primarily child-oriented.

(b) Drugs, proprietary medicines and vitamins in any pharmaceutical form, with the exception of children's fluoride toothpastes.

5. Avoiding Undue Pressure

(a) Children's advertising must not directly urge children to purchase or urge them to ask their parents to make inquiries or purchases.

(b) Direct response techniques that invite the audience to purchase products or services by mail or telephone are prohibited in children's advertising.

(c) In children's advertising which promotes premiums or contests, the product must receive at least equal emphasis. Promotion of the premium or contest must not exceed one-half of the commercial time. In promoting contests which have an age restriction that excludes children, this must be made clear orally or visually.

6. Scheduling

(a) The same commercial message or more than one commercial message promoting the same product cannot be aired more than once in a half-hour children's program. In children's programs of longer duration, the same commercial message or more than one commercial message promoting the same product must not appear more than once in any half-hour period.

(b) No station or network may carry more than four minutes of commercial messages in any one half-hour of children's programming or more than an average of 8 minutes per hour in children's programs of longer duration.

(c) *In children's programs, only paid commercial messages are included in the four minutes per half-hour limitation. Promotions and public service announcements may occupy the time difference between the Code limit and the CRTC regulation limit. Broadcasters will, however, consider the appropriateness of the content of public service announcements before scheduling in children's programs.*

(d) *For the purposes of this section, the time devoted to the broadcasting of a children's program includes any time devoted to a commercial message that is inserted within the program and/or immediately adjacent to the end of the program and also includes any time devoted to a child-directed commercial message inserted between the end of the program and the beginning of the following program.*

7. Promotion by Program Characters, Advertiser-Generated Characters, and Personal Endorsements

(a) *Puppets, persons and characters (including cartoon characters) well-known to children and/or featured on children's programs must not be used to endorse or personally promote products, premiums or services. The mere presence of such well-known puppets, persons or characters in a commercial message does not necessarily constitute endorsement or personal promotion. (For example, film clips or animation are acceptable as a mood or theme-setting short introduction to commercial messages before presenting the subject of the commercial message itself.) These puppets, persons and characters may not handle, consume, mention or endorse in any other way the product being advertised.*

(b) *This prohibition does not apply to puppets, persons and characters created by an advertiser which may be used by advertisers to sell the products they were designed to sell as well as other products produced by the same advertiser or by other advertisers licensed to use these characters for promotional purposes.*

(c) *Professional actors, actresses or announcers who are not identified with characters in programs appealing to children may be used as spokespersons in advertising directed to children.*

(d) *Puppets, persons and characters well-known to children may present factual and relevant generic statements about nutrition, safety, education, etc. in children's advertising.*

8. Price and Purchase Terms

(a) *Price and purchase terms, when used, must be clear and complete. When parts or accessories that a child might reasonably suppose to be part of the normal purchase are available only at extra cost, this must be made clear in audio and video.*

(b) *The cost must not be minimized as by the use of "only", "just", "bargain price", "lowest price(s)" etc.*

(c) *The statement in audio, "it has to be put together" or a similar phrase in language easily understood by children must be included when it might normally be assumed that the article would be delivered assembled.*

(d) *When more than one toy is featured in a commercial message it must be made clear in audio and video, which toys are sold separately (this includes accessories).*

9. Comparison Claims

(a) Commercial messages shall not make comparisons with a competitor's product or service when the effect is to diminish the value of other products or services.

(b) In the case of toys or children's possessions, comparisons should not be made with the previous year's model, even when the statements or claims are valid.

10. Safety

(a) Commercial messages, except specific safety messages, must not portray adults or children in clearly unsafe acts or situations (e.g. the use of flame or fire is not permitted in children's advertising).

(b) Commercial messages must not show products being used in an unsafe or dangerous manner. (e.g. tossing a food item into the air and attempting to catch it in the mouth, etc.)

11. Social Values

(a) Children's advertising must not encourage or portray a range of values that are inconsistent with the moral, ethical or legal standards of contemporary Canadian society.

(b) Children's advertising must not imply that possession or use of a product makes the owner superior or that without it the child will be open to ridicule or contempt. This prohibition does not apply to true statements regarding educational or health benefits.

Interpretation Guideline for Clause 11

Food product broadcast advertising addressed to children that is inconsistent with the pertinent provisions of the Food and Drugs Act and Regulations, or the Canadian Food Inspection Agency's Guide to Food Labelling and Advertising shall be deemed to violate Clause 11 (Social Values) of the Broadcast Code for Advertising to Children. This Guideline is intended, among other purposes, to ensure that advertisements representing mealtime clearly and adequately depict the role of the product within the framework of a balanced diet, and snack foods are clearly presented as such, not as substitutes for meals.

12. Substantiation Required

Where measurable claims are made regarding specific products - performance, safety, speed, durability, etc., the advertiser must be prepared on request to provide the Children's Advertising Section with evidence supporting such claims, and/or a sample of the product.

13. Assessment

Each commercial message shall be judged on its individual merit.

Interpretation Guideline Regarding Food Advertising to Children

The *Children's Code* was augmented in 2004 with a similar Interpretation Guideline with respect to food advertising to children (see above) as was developed for the *Canadian Code of Advertising Standards* (see page 9). This Guideline is used for preclearance of children's broadcast advertising to help ensure that food advertising to children is consistent with the *Food & Drugs Act and Regulations* and the Canadian Food Inspection Agency's *Guide to Food Labelling and Advertising*. It is also intended to ensure that snack foods are clearly presented as such, and not as substitutes for meals.

Preclearance of Children's Broadcast Advertising and Food Broadcast Advertising

In Canada, two separate preclearance (pre-approval) mechanisms are required for children's food broadcast advertising – preclearance against the provisions of the *Children's Code*, and preclearance against the regulatory requirements for food broadcast advertising.

(a) Preclearance of Children's Broadcast Advertising

Children's broadcast advertising is reviewed by the Children's Clearance Committee (the Committee), which is chaired by ASC and composed of representatives from the advertising industry, the Canadian Broadcasting Corporation, private broadcasters, and public representatives, who are drawn from consumers' associations.

Commercials that require pre-approval by the Children's Clearance Committee are:

- paid commercial messages carried in or immediately adjacent to a children's program.
- any commercial message determined by the broadcaster to be "child-directed", i.e. a message on behalf of a product or service for which children form a significant part of the market as users, and the message is presented in a manner that is directed primarily to children.

Each approved commercial is assigned an approval number, which is valid for one year. The approval number signifies to broadcasters that the commercial has been approved as complying with the *Children's Code*.

Approximately 1,800 commercials are reviewed by the Committee each year, of which less than 10% represent food advertising.

(b) Preclearance of Food Broadcast Advertising

Advertising of food in Canada is highly regulated under the *Food and Drugs Act and Regulations* and the Canadian Food Inspection Agency's *Guide to Food Labelling & Advertising*. (Information regarding the regulatory requirements can be found at <http://www.inspection.gc.ca/english/fssa/labeti/guide/toce.shtml>)

This regulatory framework is designed to ensure that advertising does not present food in a manner that is false, misleading or deceptive or is likely to create an erroneous impression regarding its character, value, quantity, composition, merit or safety. In addition, there are regulatory restrictions regarding claims that can be made in advertising about matters such as, food composition and quality, nutrient content, low fat claims, and health claims for food.

Until 1992, preclearance of broadcast food advertising was mandatory and performed by Consumer and Corporate Affairs Canada. When the department eliminated its preclearance function, the Canadian food industry and the federal government asked ASC to assume responsibility for this service.

ASC's Clearance Division reviews and preclears broadcast advertising copy for food at the request of advertisers to ensure that their commercials comply with the applicable regulatory requirements. Upon approval by ASC, each commercial is assigned an approval number, which signifies to broadcasters that the commercial has been approved and can be aired.

Reporting on Consumers' Complaints about Advertising

As earlier stated on page 9, ASC reports on consumers' complaints that it receives about advertising in its *Ad Complaints Reports* (available on ASC's web site: www.adstandards.com). While ASC receives approximately 1,200 complaints from consumers about advertising in a typical year, ASC receives virtually no complaints from consumers about children's advertising because of the effectiveness of Canada's self-regulatory system for children's advertising.

In addition, because of the strict regulatory framework that applies to advertising of food products in Canada and the preclearance process, ASC receives a minimal number of complaints from consumers regarding the accuracy of claims made in advertising for food products.

Summary

The *Children's Code* and the advertising preclearance process have served Canadian parents and children well for over thirty years. The commitment of Canada's advertising industry, together with the interlocking regulatory and self-regulatory framework for advertising in Canada, ensures that broadcast advertising directed to children is both respectful and responsible. As a result, the Canadian system is considered to be a model around the world, and Canada is recognized as a leader in responsible regulation of children's advertising.

II: Beyond Codes and Clearance: Addressing the Broader Needs and Development of Canadian Children

Concerned Children's Advertisers (CCA)

Background

Mandatory advertising standards and preclearance are the hallmarks of our Canadian system, recognized and lauded around the world, but the Canadian advertising community has extended its commitment to children further through the creation and operation of Concerned Children's Advertisers (www.cca-kids.ca).

In 1990, CCA was founded by a group of companies that responsibly market and advertise their products and services to children and their families. Among the founding and current members of CCA are toy companies, food manufacturers and children's broadcasters. These companies have an obvious interest in children and a concern for children's health and well being. The nature of their work puts them in contact with children's issues and challenges on a regular basis. A desire to extend their support for children to the social arena drove them to establish Concerned Children's Advertisers as a non-profit organization that would speak to children in an engaging and respectful way about issues that mattered to them. Fourteen years later, CCA's goal remains the same: to use the combined resources of member companies to help Canadian children better manage the challenges they face in their daily lives.

CCA's mission is to be the credible, caring and authoritative voice of responsible children's advertising and communications. CCA actively works in partnership with government, educators, parents and issue experts to identify issues of concern in children's lives and deliver solutions to help children. As a result, CCA is now recognized as an important and caring voice for media and life issues affecting children. Subsequently, CCA has had the privilege to share points of view and recommendations for solutions with the CRTC on media and life issues that have an impact on children. CCA has appeared before the Commission to comment on violence in the media, the new role and impact of the Internet and the new television policy as it relates to children.

CCA's Partners

To ensure that CCA's public service announcements (PSA's) and programs are soundly based and delivered effectively, all CCA programs are developed in conjunction with issue experts and are supported and endorsed by respected organizations. Among CCA's current partners are *Kids Help Phone, Coalition for Active Healthy Living, Dietitians of Canada, Canadian Diabetes Association, YMCA and YWCA, Canadian Teachers Federation, Canadian Home and School Federation, Boys and Girls Clubs of Canada, Canadian Association for Health, Physical Education, Recreation and Dance, Health Canada, the Department of Justice and Solicitor General of Canada.*

Public Service Messages and Response from Children and Parents

To date, CCA has produced over 35 television public service messages designed to help children stop, think and act appropriately when confronted with issues like substance abuse, child abuse, self-esteem, active living, bullying and media literacy.

CCA's commercials generate over 230 million impressions a year with Canadian children and their families. Two waves of research done in 2002 and 2003 by Camelford Graham Research Group show that these impressions resulted in a 90% recall of the commercials by children and 75% recall for parents. But perhaps equally as important is what kids say about CCA commercials: 95% say that CCA 'helps kids a lot' and "talks to kids about things that really matter in their lives."

National Education Programs

In 1998, CCA expanded its focus to include another core pillar in its operations: national education programs delivered free-of-charge to educators, students and parents across Canada. The CCA educational programs extend the themes introduced directly to children through PSAs by exploring each topic in greater depth. The programs provide issue-specific lesson plans and tips, tools and strategies which are delivered directly to students, parents, educators and community leaders via free workshops from leading Canadian educators Linda Millar and Ann Donahue. In this way, PSAs spark the interest of children, causing them to stop and think, and the education program creates an opportunity for information and discussion that can lead children to take appropriate and considered action when facing challenges in their day-to-day lives.

Children's Media Literacy program: TV&ME

Canadian industry and the Canadian advertising community have long believed that children need to be given the tools to interpret the media that surrounds them. Thanks to our exemplary Canadian system of codes and preclearance, Canadian children are familiar with advertising and programming developed specifically for them, but they also live in a larger media world, introduced through satellites, cable signals and online. In this environment, children are exposed to a broad range of programs, commercials and sites that are not always moderated and tailored to their needs and development. In addition, children's viewing patterns have evolved in recent years to encompass programming not designed for children or slotted in traditional children's programming hours. As children watch more and more teen and adult programming, they are also exposed to messages designed for an older audience. The broader media world, whether through TV, the Internet, billboards or t-shirt slogans, is part of the milieu of Canadian children. These exposures introduce images, ideas and values and – ultimately - *choices* into children's homes and lives.

With this knowledge, CCA has provided *TV&ME*, a media literacy and life skills program for children, to more than a million children, via direct workshops, through teachers in classrooms, and through parents at home, working with the CCA-developed curriculum. The program has been incredibly successful, garnering kudos and thanks from kids, parents and educators across the country.

TV&ME has been delivered in every province and territory across Canada and is an ongoing CCA program. *TV&ME* gives children the tools to become informed and thoughtful decision makers when faced with a variety of life challenges such as self-esteem, substance abuse, child abuse and bullying. It also helps them to become discerning viewers and effective choice-makers in the wider, media culture, via a comprehensive media literacy program.

The Children's Healthy Active Living Program (CHALP)

CCA is currently at work on an ambitious program launched in fall 2004 that seeks to give children the tools to "eat smart, move more and become media wise". In response to the worldwide concern regarding the growing incidence of overweight and obese children, this initiative represents a collective desire to contribute an informed and responsible solution on the part of industry, government and issue experts.

After exploring bullying, drug abuse, child abuse, self-esteem and media literacy with and for kids, creating The Children's Healthy Active Living Program to help children make positive changes to their health and work toward a balanced lifestyle was a natural extension for CCA. The CHALP initiative is also in line with recommendations from the World Health Organization. In a recent report, the WHO urges the private sector to partner with government and non-governmental organizations to develop and provide social marketing messages to promote healthy lifestyles, in addition to adhering to responsible advertising and marketing practices.

The objective of this program, as stated by CCA, is: "As a concerned, caring and contributing industry, create and deliver a social marketing campaign that will actively demonstrate our commitment to, and concern for, the health and well-being of Canadian children."

The strategy: "To use and leverage the social marketing skills and programs of CCA and *TV&ME* (a CCA program already in place in Canadian schools) to create and implement a program that will educate, support and benefit the health and well-being of Canadian children."

The primary audience for CHALP is Canadian children aged 12 and under; the secondary audience is Canadian parents, educators, and communities.

The program will create and deliver a national bilingual social marketing campaign that includes television commercials (PSAs), an educator program, a parent program, an online program, print and research.

International Recognition of the Canadian System of Social Responsibility and Advertising Regulations for Children

Individual elements of CCA – the PSAs and the educational programs – have been singled out for recognition many times, and the overall operation has been praised and emulated internationally. For instance, CCA's House Hippo ad won the Golden Marble for excellence in children's advertising for best television PSA in 1999, and early in 2004, CCA received the first-ever award for service to children from the International Council of Toy Industries. The organization has also been used as a model for Media Smart, an organization based in the UK with plans to extend across Europe. Michael Aymong, CCA founder and senior board chair, received a Meritorious Service Award from Governor General Adrienne Clarkson in 2003 for his work creating and guiding Concerned Children's Advertisers.

Canadian support

Even more telling is the overwhelmingly positive response from Canadian educators, parents and children. The *TV&ME* program from CCA is endorsed by the *Canadian Teachers' Federation*, the *Canadian Association of Principals* and the *Canadian Home and School Federation* and is in use in every province and territory in Canada. Research conducted in 2002 and 2003 by Camelford Graham Research Group shows that 95% of kids said that CCA helped them with the important issues in their lives and the majority of parents polled agreed that CCA "acts like a friend to kids."

Summary

Feedback of this sort, combined with a long and evolving list of children's issues, keeps CCA's mandate fresh and focused. To this end, CCA plans to continue to produce social marketing campaigns combined with educational programs for Canada's children. The organization is always seeking to expand its circle of supporters, and is continually gathering new members and partners who want to devote their resources and expertise to CCA and its mandate to support Canadian children in making healthy life and media choices.

In order to ensure an ethical and effective system for advertising to children, Concerned Children's Advertisers will continue to hold an active seat on Advertising Standards Canada's Children's Committee; work with educators, parents and other advertisers to actively uphold the Children's Code, and hold children's advertising to the recognized Canadian standard. CCA will also continue to keep pace with the media and life issues facing Canadian children, and strive to make a difference through programs of social responsibility.

Conclusion

Canada has a long history of initiating and maintaining self-regulatory systems in many industries, including the advertising industry, which has proven to be highly effective. The advertising industry has always involved consumers in the process; including public representation on review committees should a complaint about any advertising be received.

Canada is known worldwide for its responsible advertising initiatives and social messaging, specific to children.

For over 40 years, Advertising Standards Canada has promoted responsible advertising and self-regulation in the industry, administered the *Canadian Code of Advertising Standards*, and precleared advertising in specific categories against pertinent government laws, regulations and policies. The organization has also kept up to date with changing social values, reflecting this in revised language in the *Code* or creating new clauses or interpretation guidelines to address specific issues, such as food advertising and advertising to children.

The Canadian Association of Broadcasters, in 1971, created an additional *Code*, the *Broadcast Code for Advertising to Children*, which is also administered by ASC. Since 1974, broadcasters have agreed to adhere to the *Children's Code* as a CRTC condition of broadcast licence. As well, although 12-minutes per hour of advertising overall are permitted by regulation in Canada, broadcasters have voluntarily restricted themselves to an 8-minute limit within children's programming.

In 1990, Concerned Children's Advertisers was founded by a group of companies that responsibly market and advertise their products and services to children and their families. CCA actively works in partnership with government, educators, parents and issue experts to identify issues of concern in children's lives and deliver solutions to help children. Their latest initiative, with key stakeholder support and involvement, the *Children's Healthy Active Living Program* along with its popular ongoing in-school program, *TV&ME* which addresses media literacy, reflects their mandate in action.

When it comes to advertising to children, advertisers, advertising agencies and the media in Canada have treated this with a great deal of care and respect over the years, creating a number of safeguards to ensure that communication to children is responsible.

We trust this Reference Guide has served several purposes, that it:

- makes clear there is a comprehensive and respected body of regulatory standards applicable to all advertising, including food, that are designed to safeguard the public, and additional standards in place in regard to advertising to children.
- creates a better understanding and increases public confidence that the industry will continue to keep our social values reflected strongly in the various advertising codes, and will stringently uphold these values and standards for the benefit of all Canadians, especially children.

Appendix

Quebec's Prohibition on Advertising to Children

In 1978, the Quebec Government legislated, under the *Quebec Consumer Protection Act*, that it is unlawful to direct commercial advertising to children under 13 years. *(The Act came into force in 1980) The Act states:

248. Subject to what is provided in the regulations, no person may make use of commercial advertising directed at persons under thirteen years of age.

249. To determine whether or not an advertisement is directed at persons under thirteen years of age, account must be taken of the context of its presentation, and in particular of

- (a) the nature and intended purpose of the goods advertised;
- (b) the manner of presenting such advertisement;
- (c) the time and place it is shown.

However, there are various exemptions to this prohibition that do allow advertising aimed at children under 13, including in children's magazines, advertising a children's program or advertisement promoting products in-store.

Reference Guide Authors

Advertising Standards Canada (ASC)

ASC is the national, not-for-profit industry body committed to creating and maintaining community confidence in advertising. Its mission is to ensure the viability and integrity of advertising through industry self-regulation. ASC members include Canada's leading advertisers, communications and advertising agencies, media companies, and suppliers to the advertising sector.

For more information: www.adstandards.com

Contacts: Janet Feasby, Vice President, Standards, at (416) 961-6311, ext 243; Nicole Bellam, Vice President, Advertising Clearance, at ext 226

Association of Canadian Advertisers (ACA)

ACA is a national, not-for-profit industry association exclusively dedicated to serving the interests of companies that market and advertise their products and services in Canada. Founded in 1914 and incorporated in 1917, membership in the ACA is restricted to advertisers only. Unlike most industry associations, the ACA does not represent just one industry. It cuts across all products and service sectors, and speaks on behalf of over 200 companies and divisions who collectively account for estimated annual sales of \$350 billion.

For more information: www.ACAweb.ca

Contact: Bob Reaume, Vice-President, Policy and Research, at (416) 964-3805, ext 224

Canadian Association of Broadcasters (CAB)

CAB is a professional industry association that represents the vast majority of Canadian programming services - including private television and radio stations and networks, and specialty, pay and pay-per-view television services. Established in 1926, the CAB has over 600 members. CAB is the voice and choice of Canadians. Private radio and television services enjoy by far the largest share of the market, and Canadian programming broadcast by those services attracts the predominant share of the total audience for Canadian content.

For more information: www.cab-acr.ca

Contact: Jim Patrick, Senior Director, Policy & Regulatory Affairs, at (613) 233-4035, ext. 350

Concerned Children's Advertisers (CCA)

CCA's mission is to be the credible, caring and authoritative voice of responsible children's advertising and communications. CCA actively works in partnership with government, educators, parents and issues experts to identify issues of concern in children's lives and deliver solutions to help children. As a result, CCA is now recognized as an important and caring voice for media and life issues affecting children.

For more information: www.cca-kids.ca

Contact: Cathy Loblaw, President & COO, at (416) 484-0871, ext 2 or Diana Carradine, Executive Director, ext 3

Institute of Communications and Advertising (ICA)

ICA, founded in 1905, represents Canada's communications and advertising agencies. ICA's member agencies and subsidiaries account for over 90% of all national advertising in Canada. ICA promotes higher standards and best practices, and serves as the largest source of information, advice and training for Canada's communication and advertising industry, whose economic impact is worth \$14.5 billion annually.

For more information: www.ica-ad.com

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