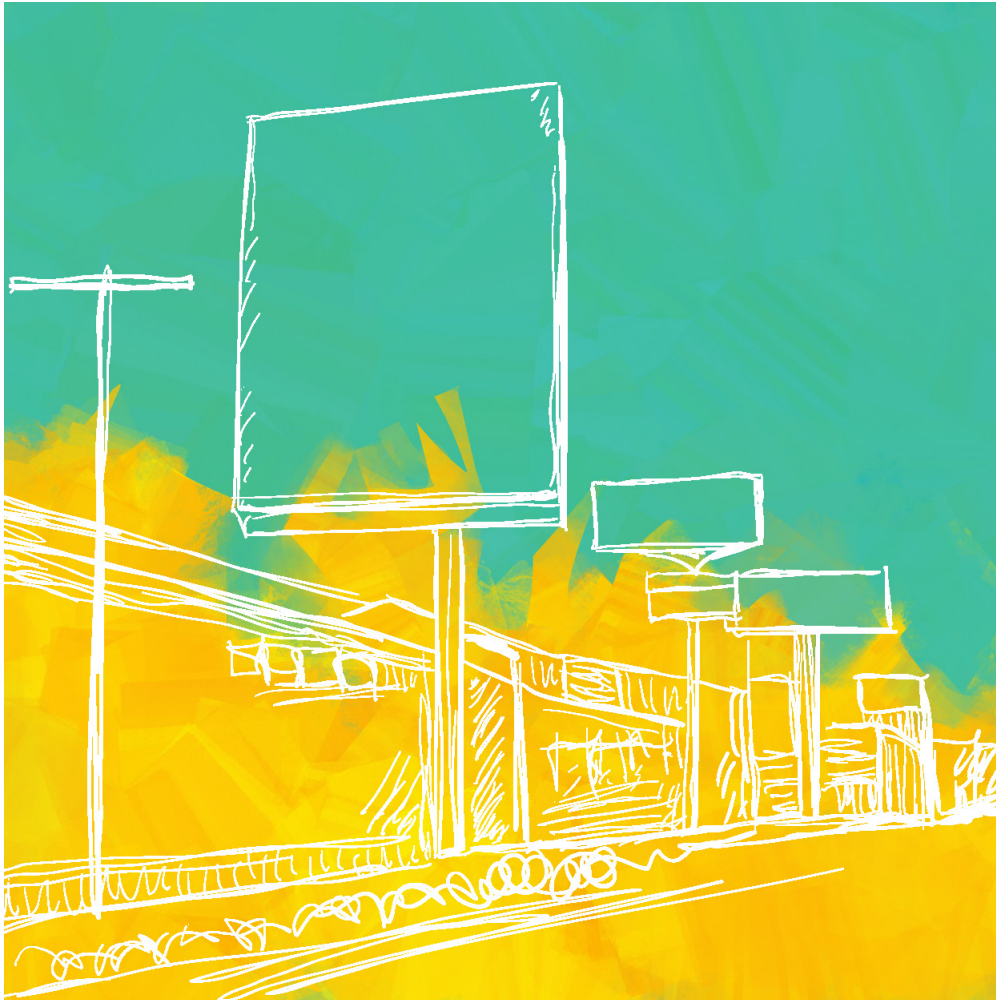


New advertisement law in the Kurdistan Region of Iraq

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The Kurdistan Region of Iraq (the 'KRI') adopted its first Commercial Advertising Law (the 'Advertising Law') in December 2019 which imposes controls on advertisers wanting to promote their goods or services within the territory. The Advertising Law applies equally to local and foreign companies operating in the KRI. The KRI Ministry of Culture (the 'Ministry') is the competent body responsible for enforcing the Advertising Law. Businesses marketing their goods by way of advertising need to pay close attention to the Advertising Law. This article provides a snapshot of the Advertising Law as well as relevant legislation.

What are the major aspects of the 2019 Advertising Law?

The Advertising Law defines commercial advertising as the activity of attracting public attention to a product or business, by any means of communication including but not limited to print, broadcast, or electronic media. In addition to these broad categories, the law specifically mentions social media advertising, transit advertising (by any mode of transportation), and outdoor advertising. The forms of

advertisement are broadly defined and remain open to interpretation.

The Advertising Law imposes mandatory conditions on advertisers, including but not limited to:

1. obtaining the consent of the manufacturer and/or service provider of the product being advertised (Article 1)'
2. providing an accurate description of the product (Article 2);
3. any research or data cited in the advertisement shall be academic and credible (Article 3);
4. obtaining the consent of the owner of a vehicle prior to installing advertisements on the said vehicle (Article 4); and
5. complying with luminance restrictions on outdoor digital advertising screens (Article 5).

Media platforms (e.g. television networks, radio channels) are required to dedicate broadcasting time free of charge to matters of public awareness, health, traffic, and human rights. For television networks, the broadcasting slot of the advertisement shall be no less than one minute for every 24 hours of broadcast.

The Advertising Law prohibits advertising content that is contrary to the public interest, public morality, national security, health security, and/or human rights in the KRI. In addition to the Advertising Law, a small number of sector specific laws and regulations exist. Pursuant to the Anti-Tobacco Law, tobacco advertising and promotion is prohibited in print and audiovisual media, including outdoor advertising. Also, the Pharmacy Law prohibits unlicensed parties from marketing medical products.

Sanctions and fees

Advertisers, advertising agencies, and advertising platforms need to take care that they do not receive penalties as a result of breaching the Advertising Law. The penalties provided for in the Advertising Law are not restricted to the advertiser; advertising agencies and advertising platforms are also exposed to liability (to the extent of their involvement) in the event an advertisement has been found to breach the law. The remedies or the penalties that the Ministry or the competent Court shall impose depend on the nature of the violation:

1. for breaching Article 1 and/or Article 2 of the Advertising Law, the Ministry or the competent Court may:
 1. order the immediate removal of the advertisement;
 2. impose a fine of no less than 500,000 Iraqi Dinars (IQD) (US\$ 420) and no more than 15,000,000 IQD (US\$ 12,600);
 3. such fines shall be doubled in case of recidivism; i.e. if the defendant has previously been found to be in breach of Article 1 and/or Article 2 of the Advertising Law.
2. for willfully damaging, distorting, or removing an advertisement, the Ministry or the competent Court may:
 1. impose a fine of no less than 250,000 IQD (US\$ 210) and no more than 1,000,000 IQD (US\$ 840);
 2. order the defendant to repair or restore the advertisement to its original state;
 3. require the defendant to compensate the claimant for the damages incurred.

Consumer protection

The Consumer Protection Law No 1. of 2010 provides consumers with the right to be fully informed about consumer goods. In the event that the consumer has not been informed about the specifications of the consumer goods beforehand, he or she is entitled to claim compensation before the Court. Pursuant to the Consumer Protection Law advertisers that engage in fraudulent actions to conceal the specifications of a

commodity or service from the public expose themselves to civil and criminal liability.

Conclusion

Although the Advertising Law has numerous shortcomings and is yet to be fully tested in practice, its introduction is a welcome development in light of the rapid growth of the advertisement sector. The KRI remains an attractive region for investors, especially in the agriculture, tourism, and natural resources sectors. It is important for investors operating or exploring the territory to keep up to date with the Advertising Law as the competent bodies begin its application.

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