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CHANGES IN THE HUNGARIAN CODE OF ADVERTISING ETHICS

1. Background

The most important self-regulatory instrument in Hungarian advertising law is the Hungarian Code of Advertising Ethics (the "**Code**"). While the Code is not *per se* binding, many professional organizations and market players submit to it and voluntarily follow its rules; therefore, it has a great impact on the advertising industry in Hungary.

The first version of the Code was drafted by the Hungarian Advertising Association in 1981. Since then, professional organizations in the advertising industry have been cooperating on issuing new and updated versions of the Code from time to time. The latest version of the Code will come in force on June 30, 2015.

This article presents those fields where the latest version of the Code has introduced the most significant changes.

2. Brief summary of the key changes to the new Code

Advertising of cosmetics

The new version of the Code now contains a separate article dedicated to the rules connected to the advertising of cosmetics. Apart from those provisions that are mostly based on the relevant legislation and the practice of the authorities, the most important new rules in the Code are the ones concerning the use of digital techniques for enhancing the beauty of images to convey brand personality, the use of pre- and post-production techniques (such as styling, re-touching, lash inserts, hair extensions, etc.) or the use of testimonials and specialist recommendations in advertisements.

As a general rule, such visual techniques can not result in an unrealistic and misleading result regarding the performance achievable by the product, and the testimonials and specialist recommendations must not replace the material substantiation of a claim.

Digital advertising

The Code clarifies and updates many of the rules in the chapter on digital advertising; this was necessary because these techniques and practices have changed significantly since 2009, when the Code was last updated.

One of the more significant amendments in the chapter on digital advertising is that the Code now contains a specific section on the rules concerning online behavioural advertising ("OBA"). The rules of OBA apply to any advertising which concerns the long-term monitoring of consumers on several websites with the goal of creating interest-based

consumer segments. In practice, this usually means that they use information from cookies to target advertising. The most important rules in the Code on OBA is that the advertisers must strictly follow the data protection regulations and that this kind of advertising can only be used with the consent of the consumers. Also, OBA advertising cannot be used to create a segment of consumers under the age of 12 years.

Another significant amendment to the chapter on digital advertising is that if the consumer accepts any kind of commitment in a digital form (*i.e.* buys or orders something or concludes a contract), then the consumer must be clearly warned about that before he/she would commit to anything.

Claims concerning environmental protection

The part on environmental protection in advertising has also been amended. One of the new regulations states that the claim has to concern a specific environmental benefit; referring to a general environmental effect is only allowed if, prior to its publication, the advertiser has conducted an environmental impact study. The advertisers are also now obliged to reassess and update their environmental claims from time to time, in the light of new technological developments and practices.

3. Conclusions

To sum up the above, the Code has been updated and developed in light of the recent changes to the relevant legislation and the current practices in advertising. By introducing these changes and amendments, the Code is helping advertisers to comply with the appropriate ethical and legal standards.

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