

**MEMORANDUM ON FOUNDATION AND ORGANIZING
THE ACTIVITIES OF THE RUSSIAN SELF-REGULATION
ORGANIZATION IN ADVERTISING, APPROVAL OF THE FEDERAL
UNIT SELECTED TO RUN THE PILOT PROJECT**

St. Petersburg

September 28, 2017

Hereby

- The Government of St. Petersburg
- The Federal Antimonopoly Service (FAS Russia)
- The Committee on Entrepreneurship in the Advertising Sphere with CCI Russia
- Association of Communication Agencies of Russia (ACAR)
- Association of Branding Companies of Russia (ABCR)
- The Russian branch of the International Advertising Association (IAA Russia)
- Association of Russian advertisers (RAA)
- The Guild of Periodical Press Publishers (GIPP)
- The Russian Academy of Radio (RAR)
- National Association of Visual Communications (NAVC)
- National Service Company (NSC)
- Russian Association of Electronic Communications (RAEC)

The following are referred to as "Parties" and "Party" - separately,

With the support of the European Advertising Standards Alliance (<http://www.easa-alliance.org/>), hereinafter EASA

Have signed this Memorandum on the foundation and organization of the activity of the Russian Self-Regulatory Organization in advertising (the SRO) on the following:

1. The Parties recognize and fully support the establishment the SRO in the Russian Federation on the terms set in the Memorandum.
2. The Parties understand and accept the following principles of socially responsible advertising:
 - Any advertising and other marketing communication should be legal, decent and truthful;
 - Any advertising and other marketing communications should be socially responsible towards the Society and Consumers, and should not mislead consumers regarding the characteristics and quality of goods, works, services;

- Any advertising and other marketing communication must comply with the principles of fair competition, established by law and the business practices.

3. Self-regulation in the field of advertising in the Russian Federation should be carried out in accordance with:

- Practice of advertising and marketing communications (the consolidated code of the International Chamber of Commerce) - Advertising and Marketing Communication Practice (Consolidated ICC Code), considering the requirements of Russian legislation and common business practices;
- with the principles of the Russian Code of Practice for Advertising and Marketing Communications;
- EASA's Best Practice Recommendations, EASA's Common Principles and Operating Standards of Best Practice and Best Practice Self-Regulatory Model, considering the requirements of Russian law and business practices in Russia.

4. Basic principles of the self-regulatory organization in the field of advertising (SRO) in the Russian Federation:

- The SRO is an organization that operates independently from government and/or any industrial interests;
- With the purpose of an appropriate balance of industrial interests' SRO ensures equal representation of advertisers, advertising agencies and advertising distributors represented by industrial associations. At the same time, the SRO may decide on individual membership at a later stage of its activities;
- The SRO ensures impartial expert consideration of disputes, preventing conflict of interest in decision-making process;
- The SRO ensures transparency in decision-making and processes;
- SRO is responsible for the implementation and promotion of advertising standards in accordance with International and Russian codes of advertising and marketing communications;
- SRO decisions shall be voluntarily and conscientiously accepted and executed by its members, including decisions on individual complaints placed by physical persons and legal entities;
- SRO carries out consideration of consumer complaints at no cost;

5. The main duties of SRO

- Developing fair standards and rules in advertising, the initiation of amendments to the Russian Code for Advertising and Marketing Communications Practices;
- Consideration of consumer complaints to misleading and unfair advertising and other marketing communications;

- Consideration of disputes between legal entities regarding improper advertising and marketing communications;
- Promotion of appropriate advertising standards, as well as conducting training sessions for advertising market participants;
- Monitoring of advertising and marketing communications to identify incompliance with laws and advertising standards;
- Engaging the best experts in the field of advertising and marketing communications to resolve disputes on the SRO's platform;
- Develop cooperation both with international associations and individual self-regulatory bodies in various countries/regions to gather and adopt the best international practices;
- Conduct other activities aimed to achieve the goals of the SRO.

6. SRO set up

- The Parties agree, that in the course of establishing the SRO they would observe and follow the International Guide to Developing a Self-Regulatory Organization (ICAS), considering the requirements and specifics of Russian law and business practices;
- The parties to this Memorandum shall be the founders of SROs in Russia and shall ensure promotion of values of self-regulation and the SRO as a platform amount their members;
- Until December 31, 2017 the Parties undertakes to:
 - ✓ Ensure proper SRO legal registration;
 - ✓ agree and approve the scope and categories of cases to be considered by SRO;
 - ✓ Ensure election of the SRO Board of Directors, elect the Chairman and the General Director;
 - ✓ Agree and set up the bodies within the SRO, including the bodies responsible to consider disputes and complaints;
 - ✓ Provide public support and interaction with members of their associations to attracte them to the SRO platform;
 - ✓ define the order of election to the main SRO bodies and its bylaws. The members of Expert Council on advertising with the FAS shall represent the SRO expert pull until the bodies of the SRO are fully and lawfully elected;

7. The pilot region of the Russian Federation for establishing and organizing the SRO shall be St. Petersburg;

8. The founders of the SRO undertake to promote the values and advantages of self-regulation with the aim of increasing trust to the activities of the SRO;

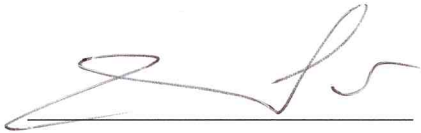
9. The parties agreed that Pilatov Sergey Genrikhovich shall take responsibility for coordination activities at establishing the SRO.

10. This Memorandum comes into force from the date of its signing and shall remain in force until the Parties fulfill their obligations thereon.

The Government of St. Petersburg and the Federal Antimonopoly Service support the development of self-regulation in the field of advertising in Russia, including the territory of St. Petersburg, recognizing the development of the action plan as an important stage in the creation and organization of the self-regulatory body in advertising in Russia.

Government of St. Petersburg

Federal Antimonopoly Service (FAS Russia)



Hereby, the European Alliance on Advertising Standards (EASA) expresses its full support to the initiative to establish a self-regulatory organization in the field of advertising in Russia, and assumes the following obligations:

- providing consultative and other support to the SRO during the period of its creation and further work, provided that its activities comply with the principles set forth in this Memorandum;*
- Ensure the membership of the SRO in EASA at the request of its appropriate representative*

CEO EASA

