

GOVERNMENT OF INDIA
MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
DEPARTMENT OF CONSUMER AFFAIRS

RAJYA SABHA
UNSTARRED QUESTION No.3474

TO BE ANSWERED ON 31.03.2023

NEW GUIDELINES FOR ENDORSEMENTS BY SOCIAL MEDIA INFLUENCERS

3474. SHRI SUSHIL KUMAR MODI

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) whether new guidelines for endorsements by celebrities and social media influencers have been released by Government, if so details thereof;
- (b) details of material benefits that require disclosure by celebrities, influencers and penalties for guideline violations;
- (c) whether Government deliberates with tech companies over potential mechanism for identifying guideline violations;
- (d) number of violation and penalty imposed till date;
- (e) sectors where Indian consumers display greater dependence on online reviews and ratings;
- (f) framework to curb fake reviews on e-commerce sites has been finalized, if so details thereof; and
- (g) whether compliance under framework is voluntary for e-commerce entities, if so rationale for that?

ANSWER

THE MINISTER OF STATE CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION

(SHRI ASHWINI KUMAR CHOUBEY)

(a) to (d) : In exercise of the powers conferred by Section 18 of the Consumer Protection Act, 2019, the Central Consumer Protection Authority has notified Guidelines for Prevention of Misleading Advertisements and Endorsements for Misleading Advertisements, 2022 on 9th June 2022, with the objective to curb misleading advertisements and protect the consumers, who may be exploited or affected by such advertisements.

According to these guidelines, endorser includes an individual or a group or an institution making endorsement of any goods, product or service in an advertisement whose opinion, belief, finding or experience being the message which such advertisement appears to reflect.

As per these guidelines, due diligence is required for endorsement of advertisements so that any such endorsement in an advertisement must reflect the genuine, reasonably current opinion of the individual, group or organisation making such representation and must be based on adequate information about, or experience with, the identified goods, product or service and must not otherwise be deceptive. Besides this, where, Indian professionals, whether resident in India or otherwise, are barred under any law for the time being in force from making endorsement in any advertisement pertaining to any profession, then, foreigner professionals of such profession shall also be not permitted to make endorsement in such advertisement.

Further, these guidelines state that where there exists a connection between the endorser and the trader, manufacturer or advertiser of the endorsed product that might materially affect the value or credibility of the endorsement and the connection is not reasonably expected by the audience, such connection shall be fully disclosed while making the endorsement.

Under Section 21 of the Consumer Protection Act, an endorser of a false or misleading advertisement may be penalized with a fine of up to Rs. 10 lakh for the first contravention, and up to Rs. 50 lakh for subsequent contraventions. Additionally, the Central Authority may prohibit the endorser from making endorsements for a period of up to one year for the first contravention, and up to three years for subsequent contraventions.

(e) to (g) : The Bureau of Indian Standards (BIS) has notified framework on ‘Online Consumer Reviews — Principles and Requirements for their Collection, Moderation and Publication’ on 23.11.2022 for safeguarding and protecting consumer interest from fake and deceptive reviews in e-commerce. The standards are voluntary and are applicable to every online platform which publishes consumer reviews. The guiding principles of the standard are integrity, accuracy, privacy, security, transparency, accessibility and responsiveness.
