Rules and Guidance

Statutory Rules and Non-Binding Guidance for Providers of On-Demand Programme Services (ODPS)

Effective from: 20 May 2016
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Section 1

Introduction

The purpose of this document

This document sets out the statutory requirements with which providers of on-demand programme services ("ODPS") must comply ("the Rules").

The accompanying Guidance ("the Guidance") is provided to assist ODPS providers in their understanding of how Ofcom interprets the Rules. The Rules themselves are not set by Ofcom; they derive from Part 4A of the Communications Act 2003 (the “Act”). The Guidance is not comprehensive and merely explains some important practical implications for ODPS providers.

The statutory requirements for advertising in ODPS are not included here. Ofcom has designated the Advertising Standards Authority as co-regulator in relation to advertising in ODPS with effect from 1 September 2010¹.

The Rules reflect Part 4A of the Communications Act 2003, which in turn implements the Audiovisual Media Services Directive² ("AVMS Directive"). The Rules include footnoted references to the underlying statutory provisions. Where an ODPS provider breaches a Rule, that means it has breached the relevant statutory provision. In the event of any unintended conflict in meaning or interpretation between the Rules and the Act, the Act shall prevail.

The Guidance

The Guidance in this document is provided to assist ODPS providers in their understanding of the Rules and how Ofcom applies them. In some circumstances Ofcom may be willing to respond to requests for additional general guidance on its interpretation of the statutory requirements where such requests raise issues of general concern to stakeholders, but it cannot and does not undertake prior clearance of on-demand programme service content. Any such additional guidance given is informal only and is without prejudice to the right of Ofcom to investigate and act in the event of a contravention.

ODPS providers must ensure they comply with their statutory obligations under the Act. They should seek their own legal advice on any compliance issues. Ofcom does not accept liability for any loss or damage alleged to result from reliance placed on either its published Guidance or any supplementary informal guidance it may give.

¹ The relevant advertising rules can be found at: https://www.cap.org.uk/Advertising-Codes/Non-Broadcast/Codeltem.aspx?csid={aa7bc9c1-4ca6-4c00-b580-a9b01fe5f00f}#.VnF2lEqLTGg

ODPS providers should use the Ofcom website to keep up to date on published breach decisions and sanctions decisions and changes that may from time to time be made to Ofcom’s current interpretation of the Rules, as set out in the Guidance.\(^3\)

**Enforcement**

If, having followed its published procedures, Ofcom finds that an ODPS provider has contravened any of the relevant requirements, it will normally publish a decision and explain why the ODPS provider has been found to be in breach. If necessary, Ofcom can use its powers under the Act to issue statutory enforcement notifications.

The requirements specified in an enforcement notification may in particular include requirements to do one or more of the following:

- cease providing or restrict access to a specified programme, or to programmes of a specified description;
- provide additional information to users of the service prior to the selection of a specified programme by the user for viewing;
- publish a correction in the form and place and at the time specified;
- publish a statement of Ofcom’s findings in the form and place and at the time specified.

Ofcom may consider breaches of the Rules for the imposition of sanctions, including financial penalties. Under current legislation, the amount of a financial penalty imposed on an ODPS provider can be up to 5% of the provider’s applicable qualifying revenue\(^4\) or £250,000 (whichever is greater).

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\(^3\) Ofcom Decisions are published in the Ofcom Broadcasting and On Demand Bulletin, available here: [http://stakeholders.ofcom.org.uk/enforcement/broadcast-bulletins/](http://stakeholders.ofcom.org.uk/enforcement/broadcast-bulletins/)

\(^4\) ‘Applicable qualifying revenue’ is defined in s368J of the Act.
Section 2

The Rules and Guidance

Guidance reflecting Ofcom’s current interpretation is provided in italics beneath each Rule. The Guidance is intended as practical advice. It is not intended to augment the Rules or corresponding statutory requirements. **Compliance with the Guidance is not determinative of whether or not the Rules and the corresponding statutory requirements have been complied with.**

Statutory definitions are provided where appropriate. Note that the legislation uses the term “appropriate regulatory authority”. Other than in relation to advertising, which is not covered by these Rules, that means Ofcom because no other body is designated under section 368B at present.

**Administrative rules**

**Rule 1: Notification of intention to provide an ODPS**

A person must not provide an ODPS unless, before beginning to provide it, that person has given a notification to Ofcom of the person’s intention to provide that service.

A notification must be sent to Ofcom in such manner, and including such information, as Ofcom may require.

Guidance:

The requirement to notify, and indeed other Rules, apply to providers of “on-demand programme services” as defined by section 368A(1) of the Act. Ofcom has published separate guidance on who needs to notify. Failure to notify a service falling within the definition will mean the provider is in breach of Rule 1.

To satisfy the obligation to notify, an ODPS provider must complete a Notification Form.

The obligation covers ODPS providers which were providing an ODPS prior to Part 4A of the Act coming into effect, as well as those commencing after that point.

The obligation does not, however, require providers who notified to ATVOD prior to 1 January 2016 to make a new notification to Ofcom (but such services must of course notify significant changes to and cessation of a service to Ofcom as set out in Rules 2 and 3).

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5 Section 368BA of the Act.


7 Available at: [http://stakeholders.ofcom.org.uk/binaries/broadcast/on-demand/notification.rtf](http://stakeholders.ofcom.org.uk/binaries/broadcast/on-demand/notification.rtf)
Rule 2: Notification of intention to make significant changes to a notified service

A person who has given a notification must, before providing the notified service with any significant differences, give a notification to Ofcom of the differences.

A notification must be sent to Ofcom in such manner, and including such information, as Ofcom may require.

Guidance:

Significant changes include: changes to name of the ODPS provider, changes to name of the service, changes to ways in which the service is sub-divided, changes to the means of accessing the service, changes to the type of content made available for viewing, and changes to ODPS provider contact details.

In order to satisfy the obligation to notify, an ODPS provider must provide details of the intended changes to Ofcom in writing. This can be done by email sent to: ODPSnotifications@ofcom.org.uk.

Rule 3: Notification of intention to cease providing a notified service

A person who has given a notification must, before ceasing to provide it, give a notification to Ofcom of the intention to cease to provide the service.

A notification must be sent to Ofcom in such manner, and including such information, as Ofcom may require.

Guidance:

In order to satisfy the obligation to notify, the notification must include the date on which the ODPS provider intends to cease providing the service, whether the service is expected to be provided by a third party after that date and, if so, the contact details for that third party.

Notification of the intention to cease providing the service can be made by email to ODPSnotifications@ofcom.org.uk.

Rule 4: Payment of required fee

The provider of an ODPS must pay to Ofcom such fee as Ofcom may require under section 368NA of the Act.

Guidance:

Ofcom is not required to charge a fee under section 368NA but may do so and, where it does, this would be set in accordance with section 368NA.

If Ofcom does require ODPS providers to pay a fee under section 368NA, an invoice would be issued. Non-payment may result in a fine and/or suspension of the ODPS.

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8 Section 368BA of the Act.
9 Section 368BA of the Act.
10 Section 368D(3)(za) of the Act.
Rule 5: Retention of programmes for at least 42 days

The provider of an ODPS must retain a copy of every programme included in the service for at least 42 days after the day on which the programme ceases to be available for viewing.

A copy of a programme retained must be of a standard and in a format which allows the programme to be viewed as it was made available for viewing.

Guidance:

Picture and sound should not have been significantly altered on the retained copy (for example by cropping or darkening of picture, or by reducing or distorting sound); picture and sound quality on the retained copy should be equivalent to that made available for viewing. The format in which the copy is retained should allow it to be provided to Ofcom (if required under Rule 6) in the manner required.

Note that, where an ODPS provider has received a complaint from a person alleging breach of any Rule, Ofcom would expect the ODPS provider to retain relevant material for at least 42 days after the outcome of the ODPS provider’s own complaints procedure has been notified to the complainant, even if that extends beyond 42 days after the material ceases to be available for viewing.

Rule 6: Provision of information

The provider of an ODPS must comply with any requirement to provide information under section 368O of the Act. “Information” includes copies of programmes.

Ofcom may require a person who appears to it to be or to have been a provider of an ODPS and to have information that Ofcom requires for the purpose of securing compliance with the obligations of the United Kingdom under the Audiovisual Media Services Directive to provide all such information as Ofcom considers necessary for that purpose.

Ofcom may not require the provision of information under section 368O unless it has given the person from whom it is required an opportunity of making representations about the matters appearing to Ofcom to provide grounds for making the request.

Ofcom must not require the provision of information under section 368O except by a demand for the information contained in a notice served on the person from whom the information is required that describes the required information and sets out Ofcom’s reasons for requiring it.

A person who is required to provide information under this section must provide it in such manner and within such reasonable period as may be specified by Ofcom in the demand for information.

Guidance:

Information should be supplied in such form as Ofcom may reasonably require. Where the information required includes a copy of a programme, the manner specified may include

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11 Section 368D(3)(zb) of the Act.

12 Section 368D(3)(a) of the Act.
providing a copy of a programme, or a specified number of copies, in a particular format, such as DVD.

Rule 7: Co-operation

The provider of an ODPS must co-operate fully with Ofcom for any purpose within section 368O(2) or (3).

Guidance:

An ODPS provider is required to co-operate for the purposes of an investigation into a possible failure to comply with the statutory requirements (as set out in these Rules), or in order to calculate applicable qualifying revenue, or to secure compliance with the United Kingdom’s obligations under the AVMS Directive.

Rule 8: Compliance with enforcement notifications

An ODPS provider to whom an enforcement notification has been given must comply with it.

Rule 9: Supply of Information

ODPS providers must supply the following information to users of the service—

(a) the provider’s name;
(b) the provider’s address;
(c) the provider’s electronic address; and
(d) Ofcom’s name, address and electronic address (and that of the ASA in relation to advertising content).

Guidance:

ODPS providers have some discretion as to how they “supply” the required information to users of the service. It could be by making the information available on the provider’s own website and/or in response to requests from users (provided that the website provides information on how to make such a request). The main purpose of this obligation is however to enable users of the service to contact the service provider or Ofcom. It must therefore be freely and easily available to members of the public on demand.

Suggested format for information:

- Name of service provider (and logo)

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13 Section 368D(3)(b) of the Act.
14 Section 368I of the Act.
15 Section 368D (2) of the Act. ODPS providers should also note the obligation to provide information under section 368O of the Act.
16 Defined by section 368D(4) of the Act as, “an electronic address to which users may send electronic communications, and includes any number or address used for the purposes of receiving such communications”.
• Postal Address
• Email address
• Web site address
• Name, address and email address of (i) Ofcom as the appropriate regulatory authority for editorial content; and (ii) the ASA as the appropriate regulatory authority for advertising content; together with an explanation of the co-regulators’ roles, as follows:

“Ofcom regulates the editorial content of on-demand programme services. This includes ensuring that particular rules are observed. These rules require certain material to be restricted to adults, prohibit other material (including that likely to incite hatred) altogether, and govern product placement in programmes and sponsorship of individual programmes or services. If you have complained to us and you are dissatisfied with our response, you can submit a complaint about any of these aspects of our on-demand service to Ofcom using the online complaint form at http://stakeholders.ofcom.org.uk/broadcasting/on-demand/complain.

Please note Ofcom is the regulator for editorial content on ODPS. Advertising within our services is regulated by the Advertising Standards Authority. You can access the ASA complaints procedures online at http://www.asa.org.uk/Complaints or by telephoning 020 7492 2222. You can also complain to the ASA by post to:

Advertising Standards Authority
Mid City Place
71 High Holborn
London
WC1V 6QT

Any queries relating to matters such as technical issues, billing, installation or marketing should be made directly to us at [contact details for service provider].

Further information about Ofcom can be found at www.ofcom.org.uk, and about the ASA at www.asa.org.uk”

Editorial rules

Rule 10: Harmful Material: Material Likely to Incite Hatred

An ODPS must not contain any material likely to incite hatred based on race, sex, religion or nationality.

Guidance:

‘Hatred’ is a strong word. It is neither the purpose nor the intention of section 368E(1) of the Act to restrict legitimate freedom of speech by prohibiting or restricting discussion, criticism or expressions of antipathy, dislike, ridicule, insult or abuse for groups covered by this requirement. For example it is permissible to express criticism, dislike or ridicule of a religious belief system or its practices or urge its adherents to cease practising or to express

17 Section 368 E (1) of the Act.
views which are sexist, insulting or offensive but which stop short of being likely to incite hatred.

Content alleged to be likely to incite hatred will be considered in the full context of the programme and/or on-demand programme service in which it is made available. Intention will be relevant to determining if material is likely to incite hatred. However, intention may be inferred having regard to all the circumstances.

This requirement does not replace the applicable criminal law or give Ofcom powers which are the preserve of the law enforcement authorities.

‘Race’ means a group of persons defined by reference to colour, race or ethnic or national origins.

Material likely to incite hatred could be contained in the spoken word, behaviour, visual images or audio sounds or a combination of all or any of these and is likely to include threatening behaviour or words.

Rule 11: Harmful Material: Protection of Under-18s (Specially Restricted Material)\(^ {18}\)

An ODPS must not contain any specially restricted material unless the material is made available in a manner which secures that persons under the age of 18 will not normally see or hear it.

“Specially restricted material” means—

(a) a video work in respect of which the video works authority\(^ {19}\) has issued a R18 classification certificate;

(b) material whose nature is such that it is reasonable to expect that, if the material were contained in a video work submitted to the video works authority for a classification certificate, the video works authority would issue a R18 classification certificate; or

(c) other material that might seriously impair the physical, mental or moral development of persons under the age of 18.

In determining whether any material falls within (b), regard must be had to any guidelines issued by the video works authority (the British Board of Film Classification) as to its policy in relation to the issue of classification certificates.

Guidance:

In considering any particular case, Ofcom’s approach in the first instance will be to determine whether the content in question falls within the definition of ‘specially restricted material’.

Content which complies with the Ofcom Broadcasting Code, or that has been classified by the British Board of Film Classification (BBFC) in any category except ‘R18’, would not

\(^ {18}\) Section 368(E) (4) and (5) of the Act.

\(^ {19}\) The British Board of Film Classification (“BBFC”) is currently designated as the ‘video works authority’.
normally be considered as material that “might seriously impair” and would not normally be subject to the requirements of Rule 11.

R18 and R18-equivalent material and any other material which might seriously impair under 18s is subject to the requirements of Rule 11. All ‘material’ on the ODPS, including still images and other non-video content is subject to this requirement.

The R18 certificate is a special classification for pornographic works, primarily for explicit works of consenting sex or strong fetish material involving adults. It is issued by the British Board of Film Classification in respect of video works being supplied on a physical video recording such as a DVD. There is no requirement for material being provided on an ODPS to be classified by the BBFC, but Ofcom is required to have regard to the BBFC Classification Guidelines when determining whether material on an ODPS is R18-equivalent.

For more information on the R18 certificate, and the type of content likely to be awarded this certificate, see the British Board of Film Classification’s website: www.bbfc.co.uk

Provided the material is not illegal or otherwise prohibited (see Rule 14), content which Ofcom considers to fall under this Rule (i.e. ‘specially restricted material’) may be made available in an ODPS provided access is controlled in a manner which secures that people aged under eighteen will not normally see or hear such material.

Ofcom’s interpretation of this requirement is that there should be in place an effective Content Access Control System (“CAC System”) which verifies that the user is aged 18 or over at the point of registration or access by the mandatory use of technical tools for age verification and, if age verification does not take place each time the user returns to the service, controls further access to such content when the user returns to the service by the use of mandatory security controls such as passwords or PIN numbers.

Technical tools which may be acceptable for age verification purposes include:

- Confirmation of credit card ownership or other form of payment where mandatory proof that the holder is 18 or over is required prior to issue.
- A reputable personal digital identity management service which uses checks on an independent and reliable database, such as the electoral roll.
- Other comparable proof of account ownership which effectively verifies age. For example, possession and ownership of an effectively age-verified mobile phone.

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20 The BBFC’s guidelines are published on its website at http://www.bbfc.co.uk/what-classification/guidelines. It is the responsibility of ODPS providers to ensure that they are aware of any changes to the BBFC’s guidelines.

21 Ofcom will not regard confirmation of ownership of a Debit, Solo or Electron card or any other card where the card holder is not required to be 18 or over to be verification that a user of a service is aged 18 or over.

22 ‘Mobile phone’ here refers to the SIM card rather than the physical handset. For a phone to be effectively age-verified the account holder must have presented proof of identity and age (for example driving licence or valid passport) to the mobile phone operator. An effective CAC system must establish that the owner of the effectively age-verified phone is the person attempting to access content – for example by demonstrating possession of the phone and awareness of the attempted access. As with other age verification methods, mandatory security controls such as passwords or PIN numbers may be used for subsequent access to the service.
Where they are required, CAC Systems must be fit for purpose and effectively managed so as to ensure that in Ofcom’s opinion people aged under eighteen will not normally see or hear specially restricted material. Ofcom will consider the adequacy and effectiveness of CAC Systems on a case by case basis and keep them under review in the context of ODPS. Responsibility for ensuring that any required CAC System is in place and is operating effectively rests at all times with the person with editorial responsibility for the ODPS. The ‘Guidance on who needs to notify’ document explains how to determine the person with ‘editorial responsibility’ for the ODPS.

Statutory definitions relevant to Rule 11 - section 368E(7)

“the 1984 Act” means the Video Recordings Act 1984;

“classification certificate” has the same meaning as in the 1984 Act (see section 7 of that Act);

“R18 classification certificate” means a classification certificate containing the statement mentioned in section 7(2)(c) of the 1984 Act that no video recording containing the video work is to be supplied other than in a licensed sex shop;

“the video works authority” means the person or persons designated under section 4(1) of the 1984 Act as the authority responsible for making arrangements in respect of video works other than video games;

“video work” has the same meaning as in the 1984 Act (see section 1(2) of that Act).”

Rule 12: Sponsorship

(1) An ODPS or a programme included in an on-demand programme service must not be sponsored—

(a) for the purpose of promoting cigarettes or other tobacco products, or

(b) by an undertaking whose principal activity is the manufacture or sale of cigarettes or other tobacco products.

Guidance:

This includes non-tobacco products or services which share a brand name with a tobacco product which is prohibited by law from advertising in other UK media. The definition of a ‘tobacco product’ is set out at the end of this section.

(1A) An ODPS or a programme included in an ODPS must not be sponsored for the purpose of promoting electronic cigarettes or electronic cigarette refill containers.

23 Available at: http://stakeholders.ofcom.org.uk/binaries/broadcast/on-demand/rules-guidance/Guidance_on_who_needs_to_notify.pdf


25 Section 368G of the Act.
(2) An ODPS or a programme included in an ODPS must not be sponsored for the purpose of promoting a prescription-only medicine.

Guidance:

Whilst it is possible for a manufacturer of prescription only medicines to sponsor a service or programme, sponsorship announcements may not contain any references to prescription-only medicines.

(3) An ODPS may not include a news programme or current affairs programme that is sponsored.

Guidance:

Any programme containing local, national, or international news may be considered by Ofcom to be a ‘news programme’. Any programme containing explanation and/or analysis of current events and issues, including material dealing with political or industrial controversy or with current public policy may be considered by Ofcom to be a ‘current affairs programme’. However, comedic treatments of news and current-affairs related matter would not be interpreted as constituting a ‘news programme’ or a ‘current affairs programme’. Short specialist reports (including sport, travel and weather reports) may be sponsored provided they are distinct from news or current affairs programmes (e.g. by using different presenters and sets).

(4) Paragraphs (5) to (11) apply to an ODPS that is sponsored or that includes any programme that is sponsored.

(5) The sponsoring of a service or programme must not influence the content of that service or programme in a way that affects the editorial independence of the provider of the service.

Guidance:

Rule 12(5) does not prevent sponsors from having an involvement in the commissioning and creation of programmes (as is likely to be the case with advertiser-funded programmes). However, sponsorship arrangements should not lead to the creation of content that is a vehicle for the purpose of promoting the sponsor or its interests, or the distortion of editorial content for that purpose. ODPS providers must ensure that they retain ultimate control over the programmes on their service. Editorial control over a service or programme should never be ceded to a sponsor.

(6) Where a service or programme is sponsored for the purpose of promoting goods or services, the sponsored service or programme and sponsorship announcements relating to it must not directly encourage the purchase or rental of the goods or services, whether by making promotional reference to them or otherwise.
Guidance:

Content of sponsored programmes

References to the sponsor or its products or services are permitted in a sponsored programme. However, with the exception of sponsorship announcements, any reference to a sponsor’s products, services or trade mark which is embedded within the editorial content of a sponsored programme for a commercial purpose and in return for payment or other valuable consideration will be treated as product placement and should comply with the requirements set out under Rule 13 below.

In the case of an advertiser-funded programme, where the sponsor has been involved in the creation of the programme, any reference to the sponsor or its interests is likely to be considered to be deliberate and therefore subject to the product placement rules.

References to generic products or services that are associated with the sponsor may also be treated as product placement depending on the circumstances. For example, a generic reference to a product that is synonymous with the funder is more likely to be treated as product placement than a generic reference to a product that is not associated with a particular brand.

Sponsor references (specific or generic) that do not result from a commercial arrangement should be justified by the editorial requirements of the programme and not be unduly prominent. In particular they:

- should not encourage, or appear to encourage, the purchase or use of the sponsor’s products or services;
- should not promote such products or services or portray them in a particularly favourable or positive light.

If the sponsored programme features a user competition, and the sponsor provides the competition prize as a condition of the sponsorship arrangement, the prize is therefore included in the programme in return for payment or other valuable consideration and will be treated as product placement. Given the manner in which prizes may be described, the placement of competition prizes is likely to be incompatible with the product placement Rules (see Condition C under Rule 13).

However it is possible for sponsors to donate competition prizes in the programmes they are sponsoring. Any such references to the sponsor or its products or services should not be included in the programme as a condition of the commercial arrangement between the sponsor and the ODPS provider or programme producer. Further, such references will need to be editorially justified and should not appear to be promotional.

Sponsorship announcements can be made during the programme itself but in such circumstances should be distinct from the editorial content and should not be unduly prominent (see guidance below on the content of sponsorship announcements).
Consumer advice programmes

There is no prohibition on the sponsorship of programmes offering users advice on what to buy or where to go etc. However, any sponsorship arrangement must be fully compliant with these Rules. Depending on the type of programme, the choice of sponsor for consumer advice programmes may therefore be limited by Rules 12(5) and 12(6) above.

Sponsorship by a sponsor whose products or services are likely to be featured in the programme may be considered a breach of Rule 12 because a positive review of the sponsor’s product within the programme could be seen as promotional for the sponsor, and therefore in breach of Rule 12(6). Deliberate exclusion of the sponsor’s product from the programme in order to avoid a contravention of Rule 12(6) could amount to an unacceptable influence on the editorial content, and therefore a breach of Rule 12(5).

Content of sponsorship announcements (see also Rules 12(8) and 12(9) below)

The requirements of Rule 12(6) extend also to the content of sponsorship announcements. A reference to a sponsor in the context of the sponsorship arrangement is likely to amount to a sponsorship announcement. Sponsorship announcements should not contain:

- calls to action; or
- encouragements to purchase or use the products or services of the sponsor or a third party.

Ofcom recognises that when judging whether the various components of a sponsorship announcement amount to a direct encouragement of the purchase or rental of the goods or service, fine editorial judgements are often required. We are likely to take into account a number of factors including, but not limited to the use of the sponsor’s slogans, straplines, jingles and so on. It is possible for some sponsor’s slogans and straplines to be used within an announcement provided they do not encourage the purchase or rental of the sponsor’s products/services (e.g. by featuring claims).

Claims about the sponsor’s products/services (in particular those that are capable of objective substantiation), may be considered as promotional messages. Examples include:

- claims about market leadership, health benefits, efficacy; and
- the use of promotional language and/or superlatives to describe the sponsor and/or its products and services (e.g. referring to: the breadth of range of products a sponsor provides or how easy a sponsor’s product is to use).

Calls to action: announcements that contain direct invitations to the audience to contact the sponsor are likely to breach the Rule. However, basic contact details (e.g. websites or telephone numbers) may be given in announcements, but these should not be accompanied by language that is likely to be viewed as an invitation to the audience to contact the sponsor. Any direct appeals to the viewer to buy or try the sponsor’s goods or services or to contact the sponsor for more information are likely to breach the Rule.
ODPS providers should note that the requirements for sponsorship announcements on linear services are generally greater than those for on-demand services. A credit which has been judged to comply with the rules for linear services is therefore also likely to comply with the requirements of Rule 12(6). There is an exception in relation to the placement of sponsorship credits, see Rule 12(9), where the requirements are more prescriptive for non-linear services in that a sponsorship credit must appear at the beginning or end of a programme (whereas in linear services the sponsorship credit may appear ‘during’ the programme as an alternative to appearing at the beginning or end.)

(7) Where a service or programme is sponsored for the purpose of promoting an alcoholic drink, the service or programme and sponsorship announcements relating to it must not—

   (a) be aimed specifically at persons under the age of eighteen; or
   (b) encourage the immoderate consumption of such drinks.

Guidance:
Whether a programme is aimed specifically at persons under the age of eighteen will depend not only on the content of the programme but also on how it is organised, presented, or marketed to users. A programme that would not normally be judged to be aimed specifically at persons under the age of eighteen may nevertheless be found to do so where it is marketed in a way that is designed to appeal to those under the age of eighteen.

The restriction applies both to the content of the programme and to the content of the sponsorship announcement. “Encourage” and “immoderate” will be judged in the context of the programme itself having regard to all the surrounding circumstances including any editorial justification and the programme narrative.

(8) A sponsored service must clearly inform users of the existence of a sponsorship agreement.

Guidance:
ODPS providers are free to decide how to inform their users that the service itself (or a part of the service) is sponsored. This may be done – for example - when the service is first accessed, when browsing the catalogue, or whilst viewing a programme. Any information given to comply with this rule must also comply with the provisions of Rule 12(10) below.

(9) The name of the sponsor and the logo or other symbol (if any) of the sponsor must be displayed at the beginning or end of a sponsored programme.

Guidance:
The purpose of this requirement is to ensure users are aware of the identity of the sponsor and of the sponsor’s relationship with the sponsored programme. ODPS providers may describe this relationship in any manner they wish provided the sponsor's involvement with the programme is clear to the user, although announcements that suggest the sponsorship
arrangement has in any way compromised the requirements of these Rules should be avoided.

With regard to the placement of the name and logo or other symbol (if any) of the sponsor, the requirements are more prescriptive for on-demand services than for television broadcast services in that a sponsorship credit must appear at the beginning or end of a programme (whereas in television broadcast services the sponsorship credit may appear ‘during’ the programme as an alternative to appearing at the beginning or end).

This is a minimum requirement. Sponsorship announcements may also be made during a programme. ODPS providers are advised to consider the frequency, size and duration of sponsorship announcements made during a programme to ensure that the requirements of Rule 12(6) are met. ODPS providers are advised to approach any sponsorship announcements during a programme with the aim of ensuring no greater prominence than is necessary for the user to see or hear the announcement and acknowledge it.

The sponsorship announcement may be integrated with the programme’s title sequence, provided it clearly identifies the sponsor and its relationship with the programme.

(10) Techniques which exploit the possibility of conveying a message subliminally or surreptitiously must not be used in a sponsorship announcement.

Guidance:

Subliminal techniques will be regarded as those a viewer is unaware of when watching the programme or sponsorship announcement in real time.

Surreptitious techniques will be regarded as those by which a viewer may be aware that a message has been included, but is unaware that it has been done so for the purpose of advertising. Such techniques are likely to be considered intentional if they occur in return for payment or other valuable consideration.

(11) A sponsorship announcement must not—

(a) prejudice respect for human dignity;
(b) include or promote discrimination based on sex, racial or ethnic origin, nationality, religion or belief, disability, age or sexual orientation;
(c) encourage behaviour prejudicial to health or safety;
(d) encourage behaviour grossly prejudicial to the protection of the environment;
(e) cause physical or moral detriment to persons under the age of eighteen;
(f) directly encourage such persons to persuade their parents or others to purchase or rent goods or services;
(g) exploit the trust of such persons in parents, teachers or others; or
(h) unreasonably show such persons in dangerous situations.

Guidance:

It is important to note that the Rules regarding sponsorship announcements apply to the whole of a sponsorship announcement, or other item or presentational technique used to
identify that a programme or service has been sponsored and the identity of the sponsor. They do not apply to material (such as advertising) that may be included adjacent to the sponsorship announcement and which may be subject to different regulatory requirements.

Statutory definition of ‘sponsored programme’ – section 368G(12) and (13)

A programme included in an on-demand programme service is “sponsored” if a person (“the sponsor”) other than:

(a) the provider of that service, or
(b) the producer of that programme,

has met some or all of the costs of the programme for the purpose of promoting the name, trademark, image, activities, services or products of the sponsor or of another person.

A programme is not sponsored if it falls within this definition only by virtue of the inclusion of product placement\(^{26}\) or prop placement\(^{27}\) (see Guidance on Rule 13).

Statutory definition of sponsored on-demand programme service - section 368G(15) and (16)

An on-demand programme service is “sponsored” if a person (“the sponsor”) other than the provider of the service has met some or all of the costs of providing the service for the purpose of promoting the name, trademark, image, activities, services or products of the sponsor or another person.

A person is not to be taken to have met some or all of the costs of providing a service only because a programme included in the service is sponsored by that person.

Statutory definition of a “sponsorship announcement” – section 368G(17)

A “sponsorship announcement” means:

(a) anything included for the purpose of complying with the requirements to clearly inform users of the existence of a sponsorship agreement and to display at the beginning or end of a sponsored programme the name of the sponsor and the logo or other symbol (if any) of the sponsor; and

(b) anything included at the same time as or otherwise in conjunction with anything within paragraph (a).

Guidance:

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\(^{26}\) See section 368H(1) of the Act.

\(^{27}\) See section 368H(2) of the Act.
A person meets some or all of the costs of a programme included in a service only if that person makes a payment or provides other resources for the purpose of meeting or saving some or all of the costs of:

(a) producing that programme;
(b) transmitting that programme; or
(c) making that programme available as part of the service.

Statutory definition of “tobacco product” – section 1 of the Tobacco Advertising and Promotion Act 2002

“Tobacco product” means a product consisting wholly or partly of tobacco and intended to be smoked, sniffed, sucked or chewed.

Statutory definitions of an “electronic cigarette” and an “electronic cigarette refill container” – section 368R(1) of the Act

“Electronic cigarette” means a product that:

(a) can be used for the consumption of nicotine-containing vapour via a mouth piece, or any component of that product, including a cartridge, a tank and the device without cartridge or tank (regardless of whether it is disposable or refillable by means of a refill container and a tank, or rechargeable with single use cartridges), and

(b) is not a medical product within the meaning of regulation 2 of the Human Medicines Regulations 2012 or medical device within the meaning of regulation 2 of the Medical Devices Regulations 2002.

“Electronic cigarette refill container” means a receptacle that:

(a) contains a nicotine-containing liquid, which can be used to refill an electronic cigarette; and

(b) is not a medicinal product within the meaning of regulation 2 of the Human Medicines Regulations 2012 or medical device within the meaning of regulation 2 of the Medical Devices Regulations 2002.

Rule 13: Prohibition of Product Placement and Exceptions


28 Section 368H of the Act
Prohibited Product Placement

Product placement is prohibited in children’s programmes included in ODPS.

Guidance:

The statutory definition of “Children’s programme” is set out at the end of this section. Ofcom regards this definition as extending to programmes acquired from overseas but excluding films which were originally made for cinema.

Where a children’s programme is included as a segment of a programme that may contain product placement, ODPS providers should ensure that the children’s content is set clearly apart and demonstrably free from product placement.

Product placement is prohibited in ODPS if—

(a) it is of cigarettes or other tobacco products,
(b) it is by or on behalf of an undertaking whose principal activity is the manufacture or sale of cigarettes or other tobacco products,
(c) it is of prescription-only medicines, or
(d) it is of electronic cigarettes or refill containers.

Guidance:

The prohibitions relating to tobacco products include non-tobacco products or services which share a brand name with a tobacco product which are prohibited by law from advertising in other UK media. The definition of a ‘tobacco product’ is set out at the end of this section.

The definitions of ‘electronic cigarette’ and ‘refill container’ are also set out at the end of this section.

Product placement of alcoholic drinks must not—

(a) be aimed specifically at persons under the age of eighteen;
(b) encourage immoderate consumption of such drinks.

Guidance:

Whether a placement is aimed specifically at people aged under eighteen will be judged not only on the content of the programme but also on the context in which the placement is presented.

“Encourage” and “immoderate” will be judged in the context of the programme itself, having regard to all the surrounding circumstances including any editorial justification and the programme narrative.
Permitted Product Placement

Subject to the above, product placement is otherwise permitted in programmes included in on-demand programme services provided that—

(a) conditions A to F below are met, and
(b) where the programme featuring the product placement has been produced or commissioned by the ODPS provider or any connected person, condition G is also met.

Conditions A to F

Condition A:

The programme in which the product, service or trademark, or the reference to it, is included is—

a) a film made for cinema;
b) a film or series made for a television programme service or for an on-demand programme service;
c) a sports programme; or
d) a light entertainment programme.

Guidance:

“A film made for cinema” is a film originally made for showing in the cinema.

“Films and series made for audiovisual media services” potentially includes a wide range of programming, both scripted and non-scripted. The sheer variety of programme concepts and formats therefore makes it impossible to provide definitive guidance about whether particular types of television films and programmes are excluded from the permitted genres for product placement. However, ODPS providers should note the following:

“Films” includes films made for cinema and films (including single dramas and documentaries) made for television or other audiovisual media services (e.g. on-demand services).

“Series” comprises a group of programmes in which the editorial content is clearly linked. For example, a series encompassing a story, theme or narrative that develops across episodes, with the appearance of regular characters/presenters. In this context “series” includes serials such as soaps.

“Sports programmes” may include both coverage of sports events and programmes about sport. However, a news programme which covers issues arising from sport will not be considered a “sports programme”.

“Light entertainment programmes” like “films and series”, also refers to a very wide range of programming. Comedy, chat shows, comedy, music programming, factual entertainment,
variety, quizzes, game shows, talent contests and ‘reality’ programmes may fall within this category.

Product placement is permitted in ‘magazine’ programmes that may contain news and/or children’s content in as far as they can be regarded as belonging to any of the permitted categories of ‘films’, ‘series’, or ‘light entertainment’. However, product placement is not permitted in those segments of such programmes which are news and/or children’s programming.

Product placement is permitted in single programmes in all genres that can carry product placement.

Condition B

The product placement has not influenced the content of the programme in a way that affects the editorial independence of the provider of the service.

Guidance:

Editorial control of the programme should never be ceded to any party seeking the placement of the product via the product placement agreement. ODPS providers must retain ultimate control over the content of the programmes they offer and also the organisation of programmes in their service.

ODPS providers should not enter into commercial arrangements that impair or appear to undermine editorial judgements. This does not prevent legitimate instances of product placement: product placement arrangements will necessarily involve contractual agreements relating to references to products, services or trade marks in programmes. ODPS providers or programme-makers may wish to enter into agreements about the manner in which a placed product will appear in a programme (e.g. whether it will be used by a particular character, in what scenes it will be used etc.). Likewise, the Rules do not set restrictions on what point during the production process product placement arrangements are agreed. Ofcom acknowledges that, in some circumstances, it may be appropriate to determine product placement arrangements alongside the creation of the editorial content itself.

While such practices are acceptable in principle, ODPS providers should take care to ensure that product placement arrangements do not take precedence over a programme’s editorial needs. There must be sufficient editorial justification for references to placed products, services and trade marks. In this respect, Conditions C (no promotion) and D (no undue prominence) are two key protections to ensure that editorial content is not distorted for the purpose of featuring placed products, services or trade marks.

ODPS providers should be able to demonstrate that neither they nor a programme producer (or a connected person) have provided guarantees relating to placed products etc that could result in, or amount to, the ODPS provider relinquishing its editorial control. ODPS providers should retain discretion to choose the exact timing and/or positioning of a product or brand on-screen and must retain final control over editorial decisions. In particular, ODPS providers must retain the right to amend, remove or obscure product placement references if they judge that these do not comply with the Rules.
Condition C

The product placement does not directly encourage the purchase or rental of goods or services, whether by making promotional reference to those goods or services or otherwise.

Guidance:

Where a product, service or trade mark is included in a programme as a result of a product placement arrangement, a positive reference to it, whether in vision or audio, is likely to be perceived to be promotional in intent.

Factors that are likely to be considered promotional include, but are not limited to, the following:

- encouragements to purchase (whether direct or indirect);
- advertising claims;
- price or availability information;
- references (either explicit or implicit) to the positive attributes or benefits of the placed product, service or trade mark;
- slogans associated with the placed product, service or trade mark; and/or
- endorsements (either explicit or implicit).

A breach of this Rule is likely to occur where a clear promotional statement about a placed product is made (e.g. a comment about the superlative nature of a product) or where repeated implicit promotional content is included (e.g. multiple references to a product that cannot be justified by the editorial requirements of the programme).

Implicit promotions are likely to arise, for example, when a character is, or a range of characters are, shown repeatedly using the same placed product. However, each case will be judged on its individual merits: there are some situations in which there is likely to be stronger editorial justification for showing a character repeatedly using the same placed product, e.g. a character in a soap or a drama series owning a particular make of car.

The use of a placed product by a programme presenter or a character will not, in itself, necessarily be treated as endorsement. However, this may depend on, for example, the individual in question and the manner in which they use or refer to the placement. The potential for promotion in verbal references to placements by presenters or characters will require careful consideration. Another important consideration may be any commercial arrangement the individual has with the placed brand (for example, where a presenter is contracted by a brand to be its ambassador, product placement involving the individual using that brand in a programme may be viewed as promotional, particularly if the placement coincides with an advertising campaign for the brand that features the individual).

Whilst product placement is not prohibited in consumer advice programmes, a positive review of a product that has been placed within the programme could be seen as promotional for the product, and therefore in contravention of this Condition.
Product placement and competition prizes (including sponsor’s products as prizes):

The donation of a competition prize is likely to be treated as prop placement provided the ODPS provider or producer receives no benefit beyond the value of the prize itself for featuring the prize in a programme. If the ODPS provider, programme-maker or a connected person receives payment or other valuable consideration in return for including prizes in a programme, this is likely to be treated as product placement. Given the manner in which prizes are generally described to enable the audience to decide to enter a competition, the product placement of competition prizes is unlikely to comply with this Rule. In cases where a sponsor donates a prize to be given away in the programme it is sponsoring, any donation that forms part of the sponsorship agreement is likely to be treated as product placement (see also Rule 12(6)).

Condition D

The programme does not give undue prominence to the products, services or trade marks concerned.

Guidance:

In assessing whether a programme has given undue prominence to a product or service included as a result of product placement, the term “due” is important.

Editorial justification is one of the fundamental tests by which undue prominence will be assessed. In particular, storylines, themes and narratives that appear to have been constructed for the purpose of giving exposure to or featuring placed products, services or trade marks, with a lack or absence of sufficient editorial justification will be more difficult to justify as duly prominent. However, where a storyline or theme fits comfortably with the programme’s understood character, issues of undue prominence (and also promotion and editorial independence) may be less likely to arise.

Examples of format or storyline construction that are likely to lead to issues of undue prominence may include:

- a reality format in which participants are required to perform tasks or challenges that feature strongly or frequently a placed product, service or trade mark; or
- improbable or contrived character or plot development, presenter behaviour, location, setting or other structural elements of a programme resulting from or linking to a product placement.

ODPS providers will need to exercise particular care to ensure that there is clear and sufficient editorial justification when a placed product is integral to the storyline/theme of a new programme or format. In such cases, consistency with an established programme format or profile will be more difficult, or impossible, to demonstrate. Generally, ODPS providers should always bear in mind that the placing of products or services should be defensible editorially. The extent and nature of the exposure always needs to be considered against the editorial requirements of the programme.

In this respect, questions ODPS providers and producers should consider include:
• is the placement easily accommodated editorially, or do significant changes have to be made to integrate the placement?
• similarly, would viewers be likely to perceive the placement as natural and in keeping with the programme’s style and content?
• does any repetition of reference to the product, in vision or sound or both, suggest that the placement is guiding or distorting editorial content?

Judging how much placement can be supported by a programme will be a matter for the ODPS provider in the first instance; as the number of references to a placed product increases, or indeed the number of placements in any one programme overall, so should the ODPS provider’s caution.

Condition E

The product placement does not use techniques which exploit the possibility of conveying a message subliminally or surreptitiously.

Guidance:

Subliminal techniques will be regarded as those a viewer is unaware of when watching the programme or sponsorship announcement in real time.

Surreptitious techniques will be regarded as including those by which a viewer may be aware that a message has been included, but is unaware that it has been done so for the purpose of advertising. Such techniques are likely to be considered intentional if they occur in return for payment or other valuable consideration.

Condition F

The way in which the product, service or trade mark, or the reference to it, is included in the programme by way of product placement does not—

(a) prejudice respect for human dignity;
(b) promote discrimination based on sex, racial or ethnic origin, nationality, religion or belief, disability, age or sexual orientation;
(c) encourage behaviour prejudicial to health or safety;
(d) encourage behaviour grossly prejudicial to the protection of the environment;
(e) cause harm to persons under the age of eighteen;
(f) directly encourage such persons to persuade their parents or others to purchase or rent goods or services;
(g) exploit the trust of such persons in parents, teachers or others; or
(h) unreasonably show such persons in dangerous situations.

Condition G

The ODPS in question signals appropriately the fact that product placement is contained in a programme, no less frequently than—

(a) at the start and end of such a programme, and
(b) in the case of an on-demand programme service which includes advertising breaks within it, at the recommencement of the programme after each such advertising break.

Condition G applies only where the programme featuring the product placement has been produced or commissioned by the provider of the service or any connected person.

**Guidance:**

*Product placement could be indicated by a logo or script appearing on the screen, or by a spoken announcement, or in other ways. These (and other) alternatives are not mutually exclusive – there could for example be both a logo and a spoken announcement.*

*ODPS providers are free to decide how much screen space an announcement about product placement should take up, and how long it should stay on screen, subject to it complying with Conditions C (no promotion), D (no undue prominence), and E (no subliminal or surreptitious techniques).*

*ODPS providers may wish to follow Ofcom’s Technical Criteria for Universal Product Placement Logo when deciding how to indicate to viewers that product placement is contained, although there is no requirement to do so in respect of on-demand services. Alternatively, a script or announcement could refer simply to the fact that the programme contains product placement (for example, ‘This programme contains product placement’) or it could say something about what was placed (for example, ‘This programme contains product placement of Product X’) or who placed it (‘This programme contains product placement by the Advertiser Y’) subject to it complying with Conditions C, D, and E.*

*It is also possible for a logo to appear on screen at the point in the programme where a placed product appears provided, again, that Conditions C, D, and E are complied with and provided that the signal also complies with this requirement.*

**Statutory definition of “Prop placement”**

“Prop placement”, in relation to a programme included in an on-demand programme service, means the inclusion in the programme of, or of a reference to, a product, service or trade mark where:

(a) the provision of the product, service or trade mark has no significant value; and
(b) no relevant provider, or person connected with a relevant provider, has received any payment or other valuable consideration in relation to its inclusion in, or the reference to it in, the programme, disregarding the costs saved by including the product, service or trademark, or a reference to it, in the programme.

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30 Section 368H(2) of the Act.
Statutory definition of “Children’s programme”\textsuperscript{31}

“Children’s programme” means a programme made:

(a) for a television programme service or for an on-demand programme service; and
(b) for viewing primarily by persons under the age of sixteen

Statutory definition of “tobacco product” – section 1 of the Tobacco Advertising and Promotion Act 2002

“Tobacco product” means a product consisting wholly or partly of tobacco and intended to be smoked, sniffed, sucked or chewed.

Statutory definitions of an “electronic cigarette” and an “electronic cigarette refill container” – section 368R(1) of the Act

“Electronic cigarette” means a product that:

(a) can be used for the consumption of nicotine-containing vapour via a mouth piece, or any component of that product, including a cartridge, a tank and the device without cartridge or tank (regardless of whether it is disposable or refillable by means of a refill container and a tank, or rechargeable with single use cartridges), and

(b) is not a medical product within the meaning of regulation 2 of the Human Medicines Regulations 2012 or medical device within the meaning of regulation 2 of the Medical Devices Regulations 2002.

“Electronic cigarette refill container” means a receptacle that:

(a) contains a nicotine-containing liquid, which can be used to refill an electronic cigarette; and

is not a medicinal product within the meaning of regulation 2 of the Human Medicines Regulations 2012 or medical device within the meaning of regulation 2 of the Medical Devices Regulations 2002.

Other Statutory definitions for Rule 13

“Film made for cinema” means:

a film made with a view to its being shown to the general public first in a cinema.

\textsuperscript{31} Section 368R(1) of the Act.
“Relevant provider”, in relation to a programme, means:
(a) the provider of the on-demand programme service in which the programme is included; and
(b) the producer of the programme.

“Residual value” means:
any monetary or other economic value in the hands of the relevant provider other than the cost saving of including the product, service or trademark, or a reference to it, in a programme.

“Significant value” means:
a residual value that is more than trivial.

“Trade mark”, in relation to a business, includes:
any image (such as a logo) or sound commonly associated with that business or its products or services.

Rule 14: Harmful Material: Prohibited material
An ODPS must not contain any prohibited material.

“Prohibited material” means—
(a) a video work which the video works authority has determined for the purposes of the 1984 Act\(^{33}\) not to be suitable for a classification certificate to be issued in respect of it, or
(b) material whose nature is such that it is reasonable to expect that, if the material were contained in a video work submitted to the video works authority for a classification certificate, the video works authority would determine for those purposes that the video work was not suitable for a classification certificate to be issued in respect of it.

In determining whether any material falls within (b), regard must be had to any guidelines issued by the video works authority (the British Board of Film Classification) as to its policy in relation to the issue of classification certificates.

**Guidance:**

Content which complies with the Ofcom Broadcasting Code, or that has been classified by the British Board of Film Classification (BBFC) in any category, including ‘R18’, would not be considered ‘prohibited material’.

Video works which have been refused a classification by the BBFC, and material which if included in a video work would be refused a classification by the BBFC, is ‘prohibited material’ and cannot be included on an ODPS in any circumstances. All ‘material’ on the service, including still images and other non-video content is subject to this requirement.

\(^{32}\) Section 368(E) (2) and (3) of the Act.

\(^{33}\) The Video Recordings Act 1984
There is no requirement for material being provided on an ODPS to be classified by the BBFC, but where material has not been classified, Ofcom is required to have regard to the BBFC Classification Guidelines when determining whether it is reasonable to expect that such material when included in an ODPS is material which, if contained in a video work submitted to the BBFC, would be refused a classification.

The guidance below sets out the type of material which may be refused a classification by the BBFC. For further information on the guidelines issued by the video work authority see the BBFC’s website at http://www.bbfc.co.uk/what-classification/guidelines. Having regard to the current BBFC Classification Guidelines, the following is a non-exhaustive list of the types of material which may constitute prohibited material:

- Material in breach of the criminal law (including material judged to be obscene under the current interpretation\(^\text{34}\) of the Obscene Publications Act 1959) or that has been created through the commission of a criminal offence
- Material which risks harm to individuals or, through their behaviour, to society. For example:
  - Material which may promote criminal activity
  - Portrayals of children in a sexualised or abusive context
  - Detailed portrayals of violent or dangerous acts, or of illegal drug use, which may cause harm to public health or morals.
  - Material which makes sexual or sadistic violence look normal, appealing, or arousing
  - Graphic images of real injury, violence or death presented in a salacious or sensationalist manner which risks harm by encouraging callous or sadistic attitudes
  - Material which reinforces the suggestion that victims enjoy sexual violence
  - Material which invites viewer complicity in sexual violence or other harmful violent activities
  - Material which is so demeaning or degrading to human dignity (for example, it consists of strong abuse, torture or death without any mitigating factors) that it may pose a harm risk.
- Material in pornographic works which:
  - Is likely to encourage an interest in sexually abusive activity which may include adults role-playing as non-adults
  - Portrays sexual activity which involves real or apparent lack of consent. Any form of physical restraint which prevents participants from indicating a withdrawal of consent
  - Involves the infliction of pain or acts which may cause lasting physical harm, whether real or (in a sexual context) simulated. Some allowance may be made for moderate, non-abusive consensual activity
  - Involves penetration by any object associated with violence or likely to cause physical harm
  - Involves sexual threats, humiliation or abuse which do not form part of a clearly consenting role-playing game. Strong physical or verbal abuse, even if consensual, is unlikely to be acceptable.

\(^{34}\) The Crown Prosecution Service publishes guidance on current interpretation of the Obscene Publications Act at http://www.cps.gov.uk/legal/l_to_o/obscene_publications/#a05