

MARKETING

One way to avoid scandals? China lays down law for celebrity endorsements

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With brands doing all they can to avoid celebrity scandals, China announces further regulations for endorsements. Image credit: Jing Tian's Weibo

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China continues to regulate its entertainment industry.

The latest curb came on Halloween when six government bodies jointly announced the "New Rules and Guidelines for Celebrities in Advertisements and Endorsements" on Oct. 31.

The updates for celebrities can be broken down into three main areas.

Firstly, they should consciously practice the core values of socialism in their advertising endorsements, and these activities should conform to social morals and traditional values.

Next, the benefactors must now always carry out background checks on the companies they might potentially work with as well as their products.

Finally, these stars must act with integrity and strictly abide in accordance with the law at all times.

Other updates impacting platforms require them to scrutinize advertising content: they must avoid vulgar content and anything that creates hype, while commercials featuring disgraced VIPs are to be restricted.

Corporations are required to be responsible for advertising content by making sure it is accurate and legal. They must also research celebrities' backgrounds, ensuring that they have not been punished for violating any advertising laws in the past three years.

The legislation also states that children below 10 years are not allowed to act as an ambassador for any products.

The Jing Take: Given that celebrities are the main focus of this update, it offers labels some clarity.

These latest regulations aim to remind stars not to benefit from others' misfortunes and hold the face of a brand to account should anything untoward happen.

In fact, this is already happening and many local personalities have recently been hit by scandals and fines.

Chinese actress Jing Tian was [ordered to pay](#) \$1.35 million (7 million RMB) for violating advertising laws, while TV host Wang Han after endorsing money lending app "Ai Qian Jin" had to apologize for unconsciously advertising a [scam](#) that cost consumers \$4.47 billion (23 billion RMB).

These are positive moves to hold entities to account and ensure they take responsibility for wrongdoings. But it raises an interesting question: should an endorser be punished if a company is fraudulent? And are there not some complications impossible to foresee, no matter the amount of due diligence?

These also place further pressure on individuals and their MCs or agencies to display more self-discipline which in reality is often not possible.

What will likely result is a more risk-averse environment, which could negatively impact luxury.

When faced with the choice of working with a new name and potentially taking a hit, it is likely the talent will opt to play it safe. And companies will have to be even more transparent with their dealings to undergo the security required to meet these new requirements. This might be particularly irksome for domestic outfits seeking endorsements.

The regulations will also burst the bubble for many new up-and-coming stars looking for a quick way to make money.

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