ASCI Guidelines Explained: What Every Brand and Influencer Must Know

Introduction: The New Era of Digital Advertising

A decade ago, advertising was marketing via television commercials, newspaper ads, and celebrity endorsements, all packaged and approved by mega corporations. Now, in the digital economy, advertising is an instantaneous, hyper-personalized, influencer-enabled experience powered by a single Instagram reel, YouTube vlog, or tweet that can reach tens of millions of consumers in a matter of minutes. Brands are partnering with influencers, celebrities, podcasters, and digital creators to promote everything from makeup and workout supplements to finance and bitcoin offerings. Much of the influencer marketing industry has unfolded commercial opportunities, but many malpractices like false recommendations, undisclosed sponsorships, falsified statements, and false advertising have also come to the fore. For example, the consumers and audiences could not differentiate between a need-based or experience-led recommendation and an advertisement promoted for monetary benefits. Many individuals gave undisclosed promotion without science-backed evidence and consumer alerts. The evolution of Deepfakes and digital promotional materials based on AI-machines and exciting consumer claims is making the digital advertising ethics more complicated[1]. The government of India responded to all such issues by rolling out detailed influencer advertising rules and digital advertising standards by the Advertising Standards Council of India (ASCI), to ensure transparency, accountability and consumer protection in India's ever expanding digital market. The guidelines have gained over new-found importance for Indian brands advertisers celebrities and social media influencers.

Understanding ASCI and Its Regulatory Role

The Advertising Standards Council of India Inc is a self regulatory body founded to promote and maintain, in the Indian advertising industry, self regulation that is truthful, legal, fair, honest and safe to consumers. As ASCI is not a statutory authority its guidelines have great practical and regulatory impact. ASCI operates within the wider legal system of: the Consumer Protection Act 2019 the Consumer Protection (E-Commerce) Rules 2020 the Information Technology Rules[2], and specific advertising rules for individual sectors. To keep up with the quick emergence of influencer marketing, ASCI has implemented Guidelines for Influencer Advertising in Digital Media to keep tabs on paid endorsements and sponsored posts on Instagram, YouTube, Facebook, Snapchat, and X (previously known as Twitter)[3]. The rules are proposed to guarantee that the intended recipients understand what the offer of the promotional material is, and they are not deceived by covert advertisements that have the facade of some second opinion or advice.

Influencer Advertising and Mandatory Disclosure Requirements

One of the most significant features of the ASCI Guidelines is the requirement of clear and prominent disclosure of sponsored content. Influencers can no longer promote products secretly while presenting them as genuine personal opinions.
According to ASCI, any material connection between an advertiser and influencer must be disclosed where:

- payment is involved,
- free products are provided,
- sponsorship exists,

[1] Advertising Standards Council of India, Guidelines for Influencer Advertising in Digital Media (2021).
[2] Consumer Protection Act, 2019; Consumer Protection (E-Commerce) Rules, 2020; Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021.
[3] Advertising Standards Council of India, Guidelines for Influencer Advertising in Digital Media (2021).

- affiliate relationships are present,
- or any commercial benefit is received.

Disclosures such as #Ad, #Sponsored, #Collaboration, or #PaidPartnership must be clear, visible, and understandable to ordinary consumers. The guidelines specifically discourage vague disclosures hidden among hashtags or placed in locations difficult for viewers to notice. ASCI has repeatedly emphasized that disclosure must be "upfront and prominent." For video-based content, disclosures should remain visible long enough for viewers to notice and understand them. Similarly, in live streams or temporary stories, disclosure obligations continue to apply.

Liability of Brands and Influencers

An important aspect of the ASCI framework is that liability does not rest solely upon influencers. Brands, advertising agencies, talent managers, and endorsers may all face scrutiny for misleading advertisements.

ASCI guidelines require influencers to conduct reasonable due diligence before making factual claims regarding:

- health products,
- financial investments,
- educational services,
- cryptocurrency,
- or scientific benefits.

An absolute example would be a fitness Instagrammer promoting a supplement with the claim of "guaranteed fat loss" although with no scientific evidence, would potentially contravene advertising standards. Also, influencers signed up to an investment scheme or trading platform without the necessary disclosures, would also be subject to regulation. The Supreme Court, in ***Indian Medical Association v. V. P. Shantha***, observed that consumer rights and accountability over representations in providing services was crucial[4]. Despite being way before the era of influencer marketing, these guiding principles of consumer protection continue to shape the landscape of advertisement regulation in the country. On top of that, deceptive endorsements can also be targeted under the Consumer Protection Act 2019[5] which authorises the authorities to penalise those advertising false or misleading advertisements.

Misleading Advertisements and Consumer Protection Concerns

Digital advertising increasingly involves exaggerated claims capable of significantly influencing consumer behavior. ASCI frequently examines advertisements involving:

- miracle health cures,
- unrealistic beauty standards,
- manipulated "before-and-after" images,
- financial return guarantees,
- and misleading educational or employment promises.

[4] *Indian Medical Association v. V.P. Shantha*, (1995) 6 SCC 651.
[5] Consumer Protection Act, 2019, s. 21.

The development of AI-generated media and the deepfake technology has had a larger impact on the debate on consumer deception. Digitally manipulated advertisements may also give exaggerated impressions or portray false endorsements from celebrities. Indian courts and regulators have increasingly warned that commercial speech cannot obtain unqualified constitutional protection in cases where advertisements mislead consumers or could be detrimental to the public.

In ***Hamdard Dawakhana v. Union of India***[6], the Supreme Court observed that where advertisements are misleading and detrimental for the public interest, they can be controlled by law[6]. Also, ASCI has also consistently taken action against advertisements using false health claims, surrogates advertising, distorted social media promotions & fake influencer campaigns. ASCI Guidelines and the Rise of Finfluencers

One of the fastest-growing areas of concern involves "finfluencers"; influencers promoting:

- stock market advice,
- cryptocurrency platforms,
- investment schemes,
- trading applications,
- and financial products.

Financial content on social media often reaches young audiences lacking adequate financial literacy. Misleading investment promotions can therefore create significant economic harm. Regulators such as the Securities and Exchange Board of India (SEBI) have increasingly scrutinized unregistered financial advice circulating through social media platforms[7]. ASCI guidelines now require influencers discussing financial products to ensure proper disclaimers and avoid misleading promises of guaranteed profits or unrealistic returns.The intersection of influencer marketing, financial regulation, and digital consumer protection is expected to become a major area of regulatory enforcement in the coming years.

Celebrity Endorsements and Due Diligence Obligations

Also, celebrities and other high profile endorsers are also shouldering more legal obligations in their online product promotion. The Consumer Protection Act, 2019 allowed the authorities to take action against false and deceptive advertisements if any endorser does not exercise due diligence in respect of the product to be promoted and the statement made by him in connection therewith. No more brands will be endorsers of 'get out of jail free' card, nor will they be permitted to take their profile for granted, rather, they will demand to check the statements made of them before authorship of a promotional message.

The Future of Advertising Compliance in India

The rules governing digital advertising in India are in a state of continuous evolution in tandem with technology development. New issues involving AI-generated ads, deepfake promotions, virtual influencers, algorithmic targeting and synthetic media, among other things, could revolutionize the compliance landscape in future. Also, ASCI are building on their monitoring systems employing natural language processing through AI-enabled screening systems in an attempt to identify advertisements with the potential to mislead across digital media channels. Regulation through higher levels of cooperation is increasingly required to tackle online misinformation, abusive marketing and dangerous content.

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[6] *Hamdard Dawakhana v. Union of India*, AIR 1960 SC 554.
[7] SEBI Investor Awareness and Financial Education materials.

Conclusion: Transparency Is the Future of Influencer Marketing

Influencers have changed advertising forever in India now. Social media influencers have unparalleled ability to modify minds of consumers, markets and consumers. The time has come to decide and legislate the limits of this enormous responsibility. The rise of digital India within the sphere of mass media has necessitated the development of the ASCI Guidelines. This body's guidelines attempts to bring transparency, accountability and fairness to the digital landscape that is shaping the Indian advertising economy. Such disclosures, veritable advertising claims, authentic recommendations and consumer advocacy are no longer preferences for brands and influencers. They are the minimum expectations. But if the regulation rises and digital consumers become more conscious of the falsehood of online advertising, brands and creators practicing transparency and responsible advertising will faster gain respect and because of this, loyalty of the Indian consumer. The future of Indian online influencer marketing rests not only on having creative campaigns or boisterous fan followers but on sticking to the core values of the digital world credibility and responsibility.