BBB promotes honest advertising by working with businesses to help ensure ethical and truthful advertising. Contact your BBB at bbb.org for answers to advertising questions.
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These basic advertising standards are issued for the guidance of advertisers, advertising agencies and advertising media.

The Better Business Bureau (BBB) Code of Advertising (Code) applies to the offering of all goods and services. If BBB has developed specific industry advertising codes, it is recommended that industry members adhere to them.

For example, if specific questions arise which involve advertising directed to children, advertisers should review The Children's Advertising Review Unit Self-Regulatory Program for Children's Advertising at caru.org/guidelines/guidelines.pdf.

In all instances, advertisers, agencies and media should also be sure that they are in compliance with local, state, federal and provincial laws and regulations governing advertising.

These standards apply to advertising placed in all forms of media, including print, broadcast, online and mobile formats.

Adherence to the general principles and specific provisions of this Code will be a significant contribution toward effective self-regulation in the public interest.

1. Basic Principles of the Code

1.1 The primary responsibility for truthful and non-deceptive advertising rests with the advertiser. Advertisers should be prepared to substantiate any objective claims or offers made before publication or broadcast. Upon request, they should present such substantiation promptly to the advertising medium or BBB.

1.2 Advertisements which are untrue, misleading, deceptive, fraudulent, falsely disparaging of competitors, or insincere offers to sell, shall not be used.

1.3 An advertisement as a whole may be misleading by implication, although every sentence separately considered may be literally true.

1.4 Misrepresentation may result not only from direct statements, but by omitting or obscuring a material fact.

2. Comparative Price, Value and Savings Claims

BBB recognizes that truthful price information helps consumers make informed purchasing decisions and that comparative price advertising plays an important role in promoting vigorous competition among retailers. At the same time, misleading or unsubstantiated pricing claims injure both consumers and competitors. The following examples offer guidance on ensuring that pricing claims are truthful and not misleading.

2.1 Advertisers may offer a price reduction or savings by comparing their selling price with:

2.1.1 Their own former selling price;

2.1.2 The current selling price of identical products or services sold by others in the trade area (the area in which the company does business or where the advertisement appears) (e.g., “selling elsewhere at $______.”); or

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1 Comparative price advertising compares alternative brands on price, and identifies the alternative brand by name, illustration or other distinctive information. It is subject to the same standards of truthfulness and substantiation as any other price claim made for a single product.
2.1.3 The current selling price of a comparable product or service sold by the advertiser or by others in the trade area (e.g., “comparable value,” “compares with products or services selling at $______,” “equal to products or services selling for $______”).

2.2 In each case, the advertisement must clearly and conspicuously disclose which basis of comparison is being used.

2.3 When these comparisons are made in advertising, the claims must be based on the provisions in Sections 3 - 7.

3. Comparison with Own Former Selling Price

3.1 The former price must be the actual price at which the advertiser has openly and actively offered the product or service for sale, for a reasonably substantial period of time, in the recent, regular course of business, honestly and in good faith.

3.2 Where the former price is genuine, the bargain being advertised is a true one. If, on the other hand, the former price being advertised is not bona fide, the bargain being advertised is a false one.

3.2.1 For example, where an artificial, inflated price was established for the purpose of enabling the subsequent offer of a large reduction, the consumer is not receiving the usual value expected. In such a case, the “reduced” price is, in reality, probably just the seller’s regular price.

3.3 Offering prices, as distinguished from actual former selling prices, may be used to deceptively imply a savings. In the event few or no sales were made at the advertised comparative price, the advertiser must make sure that the higher price does not exceed the advertiser's usual and customary retail markup for similar products or services.

3.4 Descriptive terminology often used by advertisers includes: “regularly,” “was,” “you save $______,” and “originally.” If the word “originally” is used and the original price is not the last previous price, that fact must be clearly and conspicuously disclosed by stating the last previous price, or that intermediate markdowns may have taken place, for example, “originally $400, formerly $300, now $250,” “originally $400, intermediate markdowns taken, now $250.”

4. Comparison with Current Price of Identical Products or Services Sold by Others

Advertisers should be reasonably certain that the comparative price does not appreciably exceed the price at which substantial sales of identical products or services have been made in the trade area for which the claim is made for a reasonably substantial period of time, in the recent, regular course of business. Such comparisons must be substantiated by the advertiser prior to making any advertised comparisons. Descriptive terminology often used by advertisers includes: “selling elsewhere at $______.”

5. Comparison with Current Price of Comparable Products or Services Sold by the Advertiser or by Others

5.1 Advertisers should be reasonably certain that the comparative price does not appreciably exceed the price at which substantial sales of comparable products or services have been made in the trade area for which the claim is made for a reasonably substantial period of time, in the recent, regular course of business. Such comparisons must be substantiated by the advertiser prior to making any advertised comparisons. Descriptive terminology often used by advertisers includes: “comparable value,” “compares with products or services selling at $______,” “equal to products or services selling for $______.”

5.2 In all such cases, the advertiser must make certain that the comparable products or services are similar in all material and significant respects.
6. List Prices

6.1 “List price,” “manufacturer's list price,” “reference price,” “suggested retail price,” and similar terms, hereinafter collectively referred to as “list price,” may be used deceptively to state or imply a savings which was not, in fact, the case. To the extent that a list price does not in fact correspond to the price at which substantial sales of the product in question have been made, the advertisement of a reduction may mislead the consumer. Such a comparison must be substantiated by the advertiser prior to making any advertised comparison.

6.2 An advertiser, however, can also reference a list price non-deceptively where the advertiser:

6.2.1 Does not describe the difference as a “savings,” or use any other words of similar meaning; and

6.2.2 Clearly and conspicuously discloses that the list price may not necessarily be the price at which the product or service is sold. This disclosure may be unnecessary in situations where consumers generally know that the list price may not necessarily be the price at which the product or service is sold. This may be the case, for example, when an automobile dealer references, in its ad, a new car’s Monroney Sticker price.

7. Imperfects, Irregulars and Seconds

7.1 No comparative price should be used in connection with an imperfect, irregular or second product unless it is accompanied by a clear and conspicuous disclosure that such comparative price applies to the price of the product, if perfect.

7.2 The advertisement must also clearly and conspicuously disclose which basis of comparison is being used. The comparative price advertised must be based on:

7.2.1 The price currently charged by the advertiser for the product without defects; or

7.2.2 The price at which substantial sales of the product have been made in the trade area for the product without defects.

8. “Factory to you,” “Factory direct,” “Wholesaler,” “Wholesale price”

8.1 The terms “factory to you,” “direct from maker,” “factory direct,” “factory outlet” and the like can be used where all advertised products are actually manufactured by the advertiser or in factories owned or controlled by the advertiser.

8.2 The terms “wholesaler,” “wholesale outlet,” “distributor” and the like can be used where the advertiser actually owns and operates or directly and completely controls a wholesale or distribution facility which primarily sells products to retailers for resale.

8.3 The terms “wholesale price,” “at cost” and the like can be used where they are the current prices which retailers usually and customarily pay when they buy such products for resale.

8.3.1 For example, where the advertiser buys its products from a manufacturer, a claim that it sells at “wholesale prices” can be used if its prices are comparable to those charged by wholesalers in its trade area.

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2 Where disclosures are required to prevent an advertisement from being misleading, the disclosure must be clear and conspicuous. The Federal Trade Commission (FTC) has provided guidance on making disclosures in traditional media and online at business.ftc.gov/documents/bus41-dot-com-disclosures-information-about-online-advertising. It is the responsibility of the advertiser to ensure that disclosures are noticed and understood by consumers.
9. Sales

9.1 The unqualified term “sale” may be used in advertising only if there is a significant reduction from the advertiser’s usual and customary price of the products or services offered and the sale is for a limited period of time. If the sale exceeds thirty (30) days, advertisers should be prepared to substantiate that the offering is indeed a valid price reduction and has not become their regular price.

9.2 Time limit sales must be observed.

9.2.1 For example, products or services offered in a “one-day sale,” “three-day sale” or “this week only sale” should, as a general rule, be taken off “sale” and revert to the regular price immediately following expiration of the stated time.

9.3 Introductory sales must be limited to a stated time period, and the selling price should, as a general rule, be increased to the advertised regular price immediately following termination of the stated period.

9.4 Advertisers may currently advertise future increases in their own prices on a subsequent date provided that they do, in fact, increase the price to the stated amount on that date and maintain it for a reasonably substantial period of time thereafter.

9.5 If the advertiser, in good faith, decides at the end of the sale period to convert its sale price to a new regular price, it may do so if it no longer claims any savings.

9.6 The advertiser, in good faith, may decide to extend a time limit or introductory sale for a stated period. However, if that extension is for more than a short period of time, the advertiser must be prepared to substantiate that the offering is still a valid price reduction and has not become its regular price.

10. “Emergency” or “Distress” Sales

10.1 Emergency or distress sales, including but not limited to bankruptcy, liquidation and going-out-of-business sales, must:

10.1.1 Not be advertised unless the stated or implied reason is a fact;

10.1.2 Be limited to a stated period of time; and

10.1.3 Offer only such products or services as are affected by the emergency.

10.2 Where the advertiser states that it is going out of business or closing down, it must actually be going out of business or closing down. Where the advertiser is not going out of business or closing down, it can advertise that it is “selling out” a product or “closing out” particular merchandise, as long as that advertiser will no longer carry that product or merchandise.

10.3 The unqualified term “liquidation sale” means that the advertiser’s entire business is in the process of actually being liquidated prior to actual closing.

10.4 If such sales exceed ninety (90) days, advertisers must be prepared to substantiate that the offering is indeed a valid emergency or distress sale.

11. “Up to” Price Savings Claims

11.1 Where a savings claim (for example, “save up to 40%”) covers a group of items with a range of savings, the number of items available at the maximum savings must comprise a significant
percentage, at a minimum 10%, of all the items in the offering, unless local, state or provincial law requires otherwise.

11.2 To avoid confusion or any possible deception, an advertiser should consider including a disclosure of both the minimum and maximum savings available under the offer. In such an instance, the advertiser must avoid any undue or misleading display of the maximum.

12. Lowest Prices, Underselling Claims

*Despite an advertiser's best efforts to ascertain competitive prices, the rapidity with which prices fluctuate and the difficulty of determining prices of all sellers at all times preclude an absolute knowledge of the truth of unqualified underselling/lowest price claims.*

12.1 Advertisers must have proper substantiation for all claims prior to dissemination.

12.2 Unqualified underselling claims must be avoided.

12.3 Advertisers can lessen the potential for consumer confusion by appropriate qualifications to any underselling/lowest price claim, such as by stating, if truthful, that the advertiser will meet or beat a lower price. In such circumstances, the advertiser must comply with Section 13.

13. Price Equaling, Meeting Competitors' Prices

13.1 Advertisements which set out company policy of matching or bettering competitors' prices may be used, provided that:

13.1.1 The offer is made in good faith;

13.1.2 The offer clearly and conspicuously discloses fully any material and significant conditions which apply including, if applicable, what evidence a consumer must present to take advantage of the offer; and

13.1.3 The terms of the offer are not unrealistic or unreasonable for the consumer.

13.2 Advertisers should be aware that such claims, unless appropriately qualified, may create an implicit obligation to adjust prices generally for specific products or services. This may be the case where the advertiser's price for a product or service is not as low as or lower than a competitor's price.

14. “Free”

14.1 An advertiser may use the word “free” in advertising whenever the advertiser is offering an unconditional gift. If receipt of the “free” product or service is conditional on a purchase:

14.1.1 The advertiser must clearly and conspicuously disclose this condition with the “free” offer (not simply by placing an asterisk or symbol next to “free” and referring to the condition(s) in a footnote); and

14.1.2 The advertiser must not have increased the normal price of the product or service to be purchased nor reduced its quantity or quality.

14.2 The “free” offer should be temporary; otherwise, consumers may view it as a continuous combination offer, no part of which is free. Thus, where it would otherwise confuse consumers, a product or service must not be advertised with a “free” offer in a trade area for more than six (6) months in any 12 month period. At least thirty (30) days must elapse before another such offer is promoted in the same trade area.
14.3 In a negotiated sale, no “free” offer of a product or service should be made where it would likely mislead consumers, such as where:

14.3.1 The product or service to be purchased usually is sold at a price arrived through bargaining, rather than at a regular fixed price; or

14.3.2 There may be a regular price but other material factors such as quantity, quality or size are arrived at through bargaining.

14.4 Offers of “free” products or services which do not meet the provisions of this section may not be corrected by the substitution of such similar words such as “gift,” “given without charge,” “bonus,” “complimentary” or other words which can convey the impression to the consumer that a product or service is “free.”

14.5 Because the consumer continually searches for the best buy and regards the offer of “free” products or services to be a special bargain, all such offers must be made with extreme care so as to avoid any possibility that consumers will be misled or deceived. Representative language frequently used in such offers includes:

- “Free”
- “Buy 1-Get-1 Free”
- “2-for-1 Sale”
- “50% off with Purchase of Two”
- “$1 Sale”
- “1/2 Off”
- “Gift with Purchase”

Literally, of course, the advertiser is not offering anything “free” (for example, an unconditional gift), or 1/2 free or 2 for 1 when making such an offer, since the consumer is required to purchase a product or service in order to receive the “free” or “2 for 1” item.

14.6 Whenever such an offer is made advertisers must make clear at the outset all the terms and conditions of the offer.

15. Trade-in Allowances

15.1 Any advertised trade-in allowance must be an amount deducted from the advertiser’s current selling price without a trade in. That selling price must be clearly and conspicuously disclosed in the advertisement.

15.2 Advertisers should also avoid offering a fixed or arbitrary trade-in allowance regardless of the size, type, age, condition or value of the product traded in. Such an offer may be misleading if it would disguise the true retail price or create the false impression that a reduced price or a special price is obtainable only by such trade in.

16. Credit

16.1 Whenever a specific credit term is advertised, it must actually be available to all consumers. The federal Truth in Lending Act, as well as applicable state and provincial laws set requirements for clearly and conspicuously disclosing credit terms in the advertisement.

16.2 In the United States, advertisers should carefully review the Truth in Lending Act and Regulation Z, which implements the Act, as well as Regulation M, which covers consumer
leasing. They contain important provisions that affect any advertising to aid or promote the extension of consumer credit.

16.3 Open-end credit in the U.S.

16.3.1 The requirements for advertising open-end credit under Regulation Z are complex. Therefore, advertisers are advised to consult Section 226.16 of the Regulation (12 CFR 1026.16) for details, including prescribed terminology and information that must be disclosed. Examples of open-end credit include credit cards and other forms of “revolving credit.”

16.4 Closed-end credit in the U.S.

16.4.1 Advertisers are advised to consult Section 226.24 (12 CFR 1026.24) of Regulation Z for details of closed-end credit advertising. Examples of closed-end credit include installment loans and many automobile loans.

16.4.2 If an advertisement of closed-end credit contains any of the following triggering terms, three specific disclosures must also be stated, clearly and conspicuously.

16.4.3 The triggering terms are:

- The amount or percentage of any down payment;
- The number of payments or period of repayment;
- The amount of any payment, expressed either as a percentage or as a dollar amount; or
- The amount of any finance charge.

16.4.4 The three disclosures are:

- The amount or percentage of the down payment;
- The terms of repayment; and
- The “annual percentage rate,” using that term spelled out in full or the abbreviation “APR.” If the rate may be increased after consummation of the credit transaction, that fact must be disclosed.

16.5 Fixed credit, lines of credit and credit cards in Canada

16.5.1 In Canada, federal requirements regarding advertising credit vary depending on the product. Advertisers should consult the Cost of Borrowing Regulations set out in the Trust and Loan Companies Act, Bank Act and Cooperative Credit Associations Act for specific requirements concerning disclosure, terminology and layout conditions. These regulations cover forms of closed-end credit, such as fixed credit loans for an automobile, as well as open-end credit, including credit cards and lines of credit.

16.6 “Easy credit”

16.6.1 The terms “easy credit,” “easy credit terms,” “liberal credit terms,” “easy pay plan” and other similar phrases must be used only when:

- Consumer credit is also extended to consumers whose ability to pay or credit rating is below typical standards of credit worthiness;
• The finance charges and annual percentage rate do not appreciably exceed those charged to consumers who meet generally accepted standards of credit worthiness; and

• The consumer is dealt with fairly on all conditions of the transaction, including the amount of the down payment, the period of repayment and the consequences of a delayed or missed payment.

16.7 “No credit rejected”

16.7.1 The words “no credit rejected,” “guaranteed financing,” “all credit applications accepted” or words of similar import can imply that consumer credit will be extended to anyone regardless of the consumer’s credit worthiness or financial ability to pay. They must only be used when all credit requests are approved.

17. Extra Charges

Whenever an advertiser mentions a price in advertising, the existence of any unavoidable or extra charges must be clearly and conspicuously disclosed in immediate conjunction with the price. This would include, for example, charges for delivery, installation, assembly, excise tax and postage and handling.

18. Negative Option Plans, Continuity Plans and Automatic Shipments

18.1 Any advertisement for a product or service that includes an offer to sell or provide consumers with additional goods or services under a negative option feature must include a clear and conspicuous disclosure of all material terms of the negative option feature.

18.2 Such material terms include:

18.2.1 The existence of the negative option feature;

18.2.2 The cost of the additional goods or services;

18.2.3 How consumers can cancel and avoid future shipments and charges; and

18.2.4 How consumers can return items that they do not want.

18.3 Advertisers must avoid making disclosures that are vague, unnecessarily long or which contain contradictory language.

18.4 Advertisers must not interpret the consumer’s silence, failure to take an affirmative action to reject goods or services, or failure to cancel the agreement, as consent to enroll the consumer in the negative option feature. Instead, they must ensure that the consumer affirmatively consents (either online, over the phone, or in person) to the negative option feature before enrolling the consumer in the plan.


A “bait” offer is an alluring but insincere offer to sell a product or service which the advertiser does not intend to sell. Its purpose is to switch consumers from buying the advertised product or service, in order to sell something else, usually at a higher price or terms more advantageous to the advertiser.

19.1 No advertisement should be published unless it is a bona fide offer to sell the advertised product or service.
19.2 An advertiser must not create a false impression about the product or service being offered in order to lay the foundation for a later “switch” to other, more expensive products or services, or products or services of a lesser quality at the same price. Subsequent full disclosure by the advertiser of all other facts about the advertised product does not preclude the existence of a bait scheme.

19.3 An advertiser must not use nor permit the use of the following bait scheme practices:

19.3.1 Refusing to show or demonstrate the advertised product or service;

19.3.2 Disparaging, for example, the advertised product or service, its warranty, availability, services and parts and credit terms;

19.3.3 Selling the advertised product or service and thereafter “unselling” the customer to make a switch to another product or service;

19.3.4 Refusing to take orders for the advertised product or service or to deliver it within a reasonable time;

19.3.5 Demonstrating or showing a defective sample of the advertised product; or

19.3.6 Having a sales compensation plan designed to penalize sales people who sell the advertised product or service.

19.4 An advertiser must have on hand a sufficient quantity of advertised products to meet reasonably anticipated demands, unless the advertisement clearly and conspicuously discloses the number of items available or states “while supplies last.” If items are available only at certain locations, sites or stores, the specific locations, sites or stores must be disclosed. The use of “rain checks” is not a justification for inadequate estimates of reasonably anticipated demand.

19.5 Actual sales of the advertised product or service may not preclude the existence of a bait scheme since this may be merely an attempt to create an aura of legitimacy. A key factor in determining the existence of a “bait” offer is the number of times the product or service was advertised compared to the number of actual sales.

20. Warranties or Guarantees

20.1 When using the term “warranty” or “guarantee” in product advertising, the advertiser must clearly and conspicuously include a statement that the complete details of the warranty can be seen prior to sale at the advertiser’s location, viewed on the advertiser’s website or, in the case of mail or telephone order sales, made available free on written request.

20.2 Advertisers should only use “satisfaction guarantee,” “money back guarantee,” “free trial offer,” or similar representations in advertising if the seller or manufacturer refunds the full purchase price of the advertised product or service at the consumer’s request.

20.3 When “satisfaction guarantee” or similar representations are used in advertising, any material limitations or conditions that apply to the guarantee must be clearly and conspicuously disclosed.

20.4 When advertising “lifetime” warranties or guarantees or similar representations, the advertisement must clearly and conspicuously disclose its intended meaning of the term “lifetime.”

20.5 Sellers or manufacturers should advertise that a product or service is warranted or guaranteed only if the seller or manufacturer promptly and fully performs its obligations under the warranty or guarantee.
21. Layout and Illustrations

21.1 The composition and layout of advertisements should be such as to minimize the possibility of misunderstanding by the reader.

21.1.1 For example, prices, illustrations or descriptions must not be so placed or displayed in an advertisement as to give the impression that the price or terms of featured products or services apply to other products or services in the advertisement, when such is not the case.

22. Asterisks

An asterisk may be used to impart additional information about a word or term which is not in itself inherently deceptive. The asterisk or other reference symbol must not be used as a means of contradicting or substantially changing the meaning of any advertising statement. Information referenced by asterisks must be clearly and conspicuously disclosed.

23. Abbreviations

23.1 Commonly known abbreviations may be used in advertising. However, abbreviations not generally known or understood by the average consumer must be avoided.

23.1.1 For example, “deliv. extra” is understood to mean that there is an extra charge for delivery of the product or service. “New cellular telephone (smartphone), $150 W.T.,” is not generally understood to mean “with trade-in.”

24. Use or Condition Disclosures

24.1 A product previously used by a consumer must be clearly and conspicuously described as such, for example, “used,” “secondhand,” “pre-owned,” “repossessed,” “rebuilt,” “reconditioned,” “refurbished” and “restored.”

24.1.1 The term “rebuilt” should only be used to describe products that have been completely disassembled, reconstructed, repaired and refinished, including replacement of parts.

24.1.2 The term “reconditioned” should only be used to describe products that have received such repairs, adjustments or finishing as were necessary to put the product in satisfactory condition without rebuilding.

24.1.3 The terms “refurbished” or “restored” should only be used to describe products that have been restored to original working condition and/or appearance and, as applicable, meet all factory specifications.

24.1.4 If the product is defective or rejected by the manufacturer because it falls below specifications, it must be clearly and conspicuously advertised by terms such as “second,” “irregular,” or “imperfect.”

25. “As is”

Advertisers must clearly and conspicuously disclose in any advertising and on the bill of sale when products are offered on an “as is” basis, for example, in the condition in which they are displayed at the place of sale. Such advertising and bill of sale should also clearly and conspicuously disclose, as appropriate, that the product is offered with no warranty. An advertiser may also describe the condition of the product if so desired.
26. “Discontinued”

Advertisers must not describe products as “discontinued,” “discontinued model,” or by using words of similar import unless the manufacturer has, in fact, discontinued its manufacture of the product, or the retail advertiser will discontinue offering it entirely after clearance of existing inventories. If the discontinuance is only by the retailer, the advertising must clearly and conspicuously disclose that fact, for example, “we are discontinuing stocking these items.”

27. Superiority Claims-Comparatives-Disparagement

27.1 Advertisers must not deceptively or falsely disparage a competitor or competing products or services in their advertising. Truthful comparisons using factual information may help consumers make informed buying decisions, provided:

27.1.1 All representations are consistent with the general rules and prohibitions against false and deceptive advertising;

27.1.2 All comparisons that claim or imply, unqualifiedly, superiority to competitive products or services are not based on a selected or limited list of characteristics in which the advertiser excels while ignoring those in which the competitor excels;

27.1.3 The advertisement clearly and conspicuously discloses any material or significant limitations of the comparison; and

27.1.4 The advertiser can substantiate all claims made.

28. Objective Superlative Claims

Superlative statements in advertisements about the tangible qualities and performance values of a product or service are objective claims for which the advertiser must possess substantiation as they can be based upon accepted standards or tests. As statements of fact, such claims, like “#1 in new car sales in the city,” can be proved or disproved.

29. Subjective Puffery Claims

29.1 Expressions of opinion or personal evaluation of the intangible qualities of a product or service are likely to be considered puffery. Such claims are not subject to the test of truth and accuracy and would not need substantiation.

29.2 Puffery may include statements such as “best food in the world” and “we try harder” as well as other individual opinions, statements of corporate pride, exaggerations, blustering and boasting statements upon which no reasonable buyer would be justified in relying. Puffery also includes general claims of superiority over comparable products that are so vague that it can be understood as nothing more than a mere expression of opinion.

29.3 Ultimately, whether any particular statement or claim is puffery will depend upon the context in which it is used in the advertisement.

30. Testimonials and Endorsements

30.1 In general, advertising which uses testimonials or endorsements is likely to mislead or confuse if:

30.1.1 It is not genuine and does not actually represent the current opinion of the endorser;
30.1.2 The actual wording of the testimonial or endorsement has been altered in such a way as to change its overall meaning and impact;

30.1.3 It contains representations or statements which would be misleading if made directly by the advertiser;

30.1.4 While literally true, it creates deceptive implications;

30.1.5 The endorser has not been a bona fide user of the endorsed product or service at the time when the endorsement was given, where the advertiser represents that the endorser uses the product or service;

30.1.6 It is not clearly stated that the endorser, associated with some well-known and highly-regarded institution, is speaking only in a personal capacity, and not on behalf of such an institution, if such be the fact;

30.1.7 The advertising makes broad claims as to the endorsements or approval by indefinitely large or vague groups, for example, “the homeowners of America,” “the doctors of America;”

30.1.8 The endorser has a financial interest in the company whose product or service is endorsed and this is not made known in the advertisement;

30.1.9 An expert endorser does not possess the qualifications that give the endorser the expertise represented in the advertisement;

30.1.10 The advertiser represents, directly or by implication, that the endorser is an “actual consumer” when such is not the case and the advertisement fails to clearly and conspicuously disclose that fact;

30.1.11 A consumer’s experience represented in an advertisement is not the typical experience of those using the product or service, unless the advertisement clearly and conspicuously discloses what the expected results will be;

30.1.12 Endorsements placed by advertisers in online blogs or on other third-party websites do not clearly and conspicuously disclose the connection to the advertiser and comply with each of the provisions in this Code; and

30.1.13 Advertisers compensate consumers for leaving feedback on third-party online blogs or websites but fail to ensure that consumers disclose such facts on those blogs or websites.

In the U.S., advertisers should consult the Federal Trade Commission Guides on Testimonials and Endorsements for detailed guidance. In Canada, advertisers should review the Competition Bureau’s publication on Untrue, Misleading or Unauthorized Use of Tests and Testimonials for specific guidance.

31. Rebates

31.1 The terms “rebate,” “cash rebate,” or similar terms may be used only when:

31.1.1 Payment of money will be made by the retailer or manufacturer to a consumer after the sale; and

31.1.2 The advertising makes clear who is making the payment.
31.2 In addition, advertisements that include rebate promotions must clearly and conspicuously state the before rebate cost, as well as the amount of the rebate. Rebate promotions also must clearly and conspicuously disclose any additional terms and conditions that consumers need to know, including the key terms of any purchase requirements, additional fees, and when consumers can expect to receive their rebate.

32. Business Name or Trade Style

32.1 Business names or trade styles must not contain words that would mislead consumers either directly or by implication.

32.1.1 For example, a business name or trade style can use the words “factory” or “manufacturer” where:

- The advertiser actually owns and operates or directly and completely controls the manufacturing facility that produces the advertised products; or

- The term would not likely mislead consumers in the specific context in which it is used.

32.1.2 Similarly, a business name can use the term “wholesale” or “wholesaler” where:

- The advertiser actually owns and operates or directly and completely controls a wholesale or distribution facility which primarily sells products to retailers for resale; or

- The term would not likely mislead consumers in the specific context in which it is used.

33. Contests and Games of Chance or Skill

33.1 If contests are used, the advertiser must publish clear, complete and concise rules and provide competent impartial judges to determine the winners.

33.2 Contests, drawings or other games of chance that involve the three elements of prize, chance and consideration constitute lotteries, in violation of U.S. federal and state statutes and must not be conducted. Canadian law contains similar prohibitions.

34. Claimed Results

Claims relating to performance, energy savings, safety, efficacy or results for a product or service should be based on recent and competent testing or other objective data.

35. Unassembled Products

When an advertised product requires partial or complete assembly by the consumer, the advertising must clearly and conspicuously disclose that fact, by using words such as “unassembled” or “partial assembly required.”

36. Environmental Benefit Claims

36.1 General Principles

36.1.1 Advertisers should not make broad, unqualified general environmental benefit claims like “green” or “eco-friendly.”

36.1.2 Advertisers must qualify general claims with specific environmental benefits.
36.1.3 Advertisers must possess competent and reliable evidence (often scientific evidence) to support all environmental benefit claims. Qualifications for any claim must be clear, conspicuous and understandable.

36.1.4 When an advertiser qualifies a general claim with a specific benefit, the benefit should be significant. Advertisers must not highlight small or unimportant benefits.

36.1.5 Unless clear from the context, any environmental claim must specify clearly and conspicuously whether the claim applies to the product, the product’s packaging, a service or just to a portion of the product, package or service.

36.2 Degradable

36.2.1 Advertisers may make an unqualified degradable claim if they have competent and reliable scientific evidence that the entire product or package will completely break down and return to nature within a reasonably short period of time after customary disposal. For items entering the solid waste stream, advertisers should substantiate that the items completely decompose within one year after customary disposal.

36.2.2 Advertisers must qualify, clearly and conspicuously, degradable claims to the extent necessary to avoid confusion about the product’s or package’s ability to degrade in the environment where it is customarily disposed or the rate and extent of degradation.

36.3 Recycled content

36.3.1 Advertisers must not claim that a product or package is recyclable unless it can be collected, separated or otherwise recovered from the waste stream through an established recycling program for use or reuse in manufacturing or assembling another product.

36.3.2 Advertisers must clearly and conspicuously qualify such claims where necessary, so as to not mislead or confuse consumers as to the availability of recycling facilities in the trade area.

36.3.3 Advertisers must not claim that a product or package contains recycled content unless it is composed of materials that have been recovered or otherwise diverted from the waste stream, either during the manufacturing process or after consumer use.

36.3.4 Advertisers must clearly and conspicuously qualify claims for any products or packages made partly from recycled material, for example, made from 30% recycled material.

36.4 Non-toxic

36.4.1 Non-toxic claims likely convey that a product, package or service is non-toxic both for humans and for the environment generally. Thus advertisers must either possess competent and reliable scientific evidence that this is the case or clearly and conspicuously qualify the claim to avoid confusion.

36.5 Certifications and Approvals

36.5.1 An advertiser’s unqualified use of environmental certifications and seals of approval may imply to consumers that the certificate or seal was awarded by an independent third party. If that certification or seal was not, in fact, awarded by an independent third party, the advertisement must clearly and conspicuously disclose that fact.
36.5.2 In addition, environmental certifications and seals that do not clearly convey the basis for the certification are likely to convey general environmental benefits. Because claims making general environmental benefits should not be used (see section 36.1) advertisers must clearly and conspicuously disclose the specific and limited benefits to which the certificate or seal applies.


37. “Made in USA” Claims

37.1 “Made in USA” and similar terms used to describe the origin of a product must be truthful and substantiated.

37.2 An advertiser must not express or imply that a product or product line is exclusively “Made in USA” unless all or virtually all of the product is made in the U.S. All significant parts and processing that go into the product must be of U.S. origin. That is, the product should contain no — or negligible — foreign content.

37.3 Advertisers can refer to products that are manufactured with foreign components as “Assembled in USA,” if the product’s principal assembly and last substantial transformation were completed in the U.S.

37.4 Qualified “Made in USA” claims, for example, “60% U.S. content,” “Made in U.S. of U.S. and imported parts,” are appropriate for products that are manufactured or have been substantially assembled domestically. However, advertisers must avoid making these claims if a significant amount of assembly or material of the product was not completed in the U.S. Qualified “Made in USA” claims, like unqualified claims, must be truthful and substantiated.

38. “Product of Canada” and “Made in Canada” Claims

Advertisers claiming a good to be a “Product of Canada” or “Made in Canada” must meet certain standards:

- If an advertiser makes a “Product of Canada” claim, the good must be composed of at least 98% Canadian content; and
- If an advertiser makes a “Made in Canada” claim, the good must be at least 51% Canadian content and the advertisement must include a qualifying statement indicating that the product contains imported content.

In both cases, the last substantial transformation of the product must have occurred in Canada.

39. Native Advertising (Deceptively Formatted Advertisements)

Native Advertisements are created to resemble the design, style, and functionality of the media in which they are disseminated, which could make it difficult to distinguish between advertising and non-commercial content. Native ads may appear on a page next to non-advertising content on news or content aggregator sites, social media platforms, or messaging apps. In other instances, native ads are embedded in entertainment programming, such as professionally produced and user-generated videos on social media. In still other instances native ads appear in email, infographics, images, animations, and video games.

39.1 Advertisers must not mislead consumers as to the nature or source of native ads they place, or cause to be placed, in any medium, including social media. This includes native ads or links to
native ads that appear to be news or public interest stories, but are actually materials promoting products or services. The more a native ad is similar in format and topic to the non-commercial content on a site, the more likely it is to mislead a consumer and require a disclosure to prevent deception.

39.1.1 In instances where it is not otherwise apparent that the native ad is a paid commercial message, the advertiser must ensure that such material promoting its products and services is clearly and conspicuously labeled as a “paid ad,” “paid advertisement,” “sponsored advertising content” or other similar words that state expressly that the material is an advertisement.

39.1.2 In other circumstances, where an advertiser sponsors content that does not promote its own product or service (e.g., a running shoe company sponsors an article on vacation spots for fitness enthusiasts that does not discuss its product), it should consider including a disclosure such as “sponsored by ___” or “brought to you by ___” to avoid confusion.

39.2 Statements in NATIVE ADS about the performance, efficacy, price, desirability or superiority of the advertiser’s product or service will likely be considered content promoting that product or service.

39.3 Advertisers should maintain disclosures when native ads are republished by others in non-paid search results, social media, email, or other media.

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3 To be clear and conspicuous, such disclosures must, at a minimum, be prominent and visible enough for consumers to readily notice them.