

## Restrictions on Purchase of Ad Airtime:

### Bill Aimed at Diverting Advertising Budgets to Channel 14

The 37th government, which immediately upon its establishment announced its intent to promote a regime revolution, has been doing its utmost to introduce significant changes to Israel's media market that portend harm to the free media and heightened governmental control. Upon entering office, Communications Minister Shlomo Karhi declared his intention to carry out a so-called "reform" of the media market, but the broad legislative initiatives he has promoted to date (starting with a draft proposal that eventually became the Broadcast Media Bill) are still facing legal opposition.<sup>1</sup>

Along with the Broadcast Media Bill, the government has used alternative means in an effort to advance its plan, such as private member bills, administrative decisions on appointments, and temporary provisions using the war in Gaza as a pretext. These private bills contain legislative amendments specifically designed to ensure benefits for pro-government media bodies, particularly Channel 14.<sup>2</sup>

This document addresses one such initiative: Bill to Reduce Concentration in the Media Advertising Sector-2025,<sup>3</sup> a private bill submitted by MK Avichay Boaron and other Likud MKs, which seeks to set quotas on the purchase of ad airtime from commercial channels and the Israeli Public Broadcasting Corporation (IPBC) by media buying agencies, as well as to impose criminal fines and financial sanctions for any violation of the proposed measures.

**Zulat opposes the provisions of the bill, which constitute a violation of the freedom of occupation.** As will be detailed in this document, under the guise of reducing economic concentration and realizing fundamental rights in a democratic society, the bill seeks to

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\* English-language reference. All other references in this document are in Hebrew.

<sup>1</sup> Jeremy Sharon, [\\*AG's Office to Cabinet Secretary: Broadcast Media Reform Bill Cannot Be Advanced Yet](#), *The Times of Israel*, 8 June 2025.

<sup>2</sup> Ronen Reingold and Ori Bassat, [\\*Bolstering Channel 14: Tycoons' Interests Favored Over Public Good](#), *Zulat*, 24 April 2024; Tal Hilel, [\\*Government Uses Regulatory Benefits to Establish Channel 14 as Propaganda Arm](#), *Zulat*, 1 October 2024.

<sup>3</sup> [Bill To Reduce Concentration in the Advertising and Media Industry-2025](#), *Knesset National Legislation Repository*, 3 February 2025.

gain political control over the advertising business and to weaken commercial and public broadcasters, despite the fact that the proposed provisions are not supported by any factual or professional foundation and are inconsistent with professional opinions formulated by the Second Authority for Radio and Television (SATR) in recent years, based on which previous plans to restrict the volume of ad airtime were suspended. It is seriously feared that the provisions set forth in the bill are intended for the improper purpose of helping Channel 14 increase its revenues through the diversion of advertising budgets, as well as to harm the operations of other commercial channels and the IPBC.

### **Restrictions on Ad Airtime Purchases, Criminal and Administrative Sanctions**

The bill seeks to set quotas on the purchase of ad airtime from commercial channels and the IPBC. These restrictions are primarily intended to apply to media buying agencies, which are used by major advertising companies to purchase ad airtime on broadcasting platforms.

On **television**, media buying would be limited to 20% of the total ad airtime of commercial channels in prime time and 15% outside of prime time [Article 4(a)]. On **radio**, media buying would be limited to 25% of the total ad airtime of commercial channels and the IPBC during peak listening time and 20% outside of peak time [Article 4(b)]. On the **websites** of commercial channels and the IPBC, purchase of ad airtime would also be restricted [Article 4(c)]. Furthermore, the bill seeks to ascribe criminal liability and impose fines on both companies purchasing media beyond the set quotas [Article 7] and on corporate officers of companies violating the provisions of the law [Article 8].

The bill also sets broad reporting requirements: commercial channels would be required to submit monthly reports on ad airtime allocated in the month prior to the Minister of Communications, who would then make the data available to the public [Article 3]. In addition, anyone buying media in Israel would be required to report once a year to the minister on the volume of media purchased in the year prior [Article 6]. To enforce these provisions, a ministry official would be appointed to keep a registry of the names of media buyers, the type of media purchased, the identity of the commercial channels, and the amounts paid for the purchases.

### **No Factual or Professional Basis to Support Proposed Restrictions and Obligations**

According to the bill, the proposed measures are designed to address existing problems in the advertising and media market stemming from the structure of the advertising industry in Israel, in particular from the operations of media buying agencies, most of which are owned by the largest advertising companies in the country.

Although this is a complex issue involving intricate economic questions and competition rules, the bill does not present any factual data or professional economic analysis that could justify the need for the proposed restrictions. Instead, it consists solely of general arguments, such as that the proposed measures would help content providers to create and finance original productions and would allow the redirection of ad airtime to smaller channels, which the bill claims are rarely approached by media buying agencies for airtime purchases.

It is no coincidence that the bill is not based on facts or refer to any supporting professional analysis, given that professional studies by experts in recent years found no economic justification for imposing the type of restrictions proposed. Moreover, the bill seeks to revive a regulation that was in place in the past but was suspended due to ongoing discussions and consultations with professionals.

The question of the operations of media buying agencies in Israel and their impact on the broadcasting market has been under examination for some time. Notably, in 2014, the SATR Council adopted the conclusions of the Shaham Committee on the matter and set restrictions on the amount of ad airtime that media buying agencies were permitted to purchase from commercial channels.

This approach shifted in 2021, after a public hearing held by the SATR. Based on discussions and professional opinions submitted to it, including by the Israel Competition Authority (ICA), the SATR Council decided to temporarily suspend the restrictions it had set previously. Again, in March 2023, the SATR issued another call for public input, at which point the ICA and other relevant entities submitted their updated positions. At the end of this process, in June 2023, the SATR Council held another public hearing to re-examine the matter and proposed to permanently repeal the restrictions imposed in 2014 and explore the implementation of a different model that would set limits on the advances paid by media buying agencies to commercial channels.

Hence, professional studies conducted in recent years indicate that there is no longer a professional basis in support of the restrictions proposed in the bill, which instead is seeking to implement a different model for regulating the relations between media buying agencies and broadcasters.

### **Bill Designed to Improperly Divert Advertising Budgets to Channel 14**

One of the main goals of the bill is to redirect advertising budgets to smaller channels, which supposedly are rarely chosen by media buying agencies for airtime purchases. The justification provided is that such a move would encourage Israeli productions and allow for a diversity of opinions and ideas.

Even if the explanatory notes attached to the bill do not explicitly mention it by name, there is no ignoring the efforts made in recent years by the government and legislators to specifically promote the interests of Channel 14, which is closely affiliated with the current government. For example, in September 2024, at the height of the war in Gaza and while the Knesset was in recess, the Economic Affairs Committee was convened to discuss Channel 14's complaints regarding the advertising budgets directed to it by media buying agencies.<sup>4</sup> This is in addition to the efforts to enact laws favoring Channel 14, including several amendments to the Broadcasting Distribution Via Digital Channels Law-2012 that extended the "infant industry protections" originally intended for Channel 14 and retroactively exempted it from paying for use of the Idan Plus distribution platform.<sup>5</sup>

This being the case, there is real concern that, like other previous legislative initiatives, the improper purpose of this bill is to benefit Channel 14 and increase its revenues by diverting advertising budgets to it. Even if the bill does not ultimately result in an amendment of the law, there is no ignoring its chilling effect and the warning it sends to the media and advertising market, to the effect that it is expected to allocate resources to Channel 14 and that the government may legislate measures to realize this wish if it fails to comply "of its own free will."

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<sup>4</sup> At a meeting of the Knesset Economic Affairs Committee on 11 September 2024 to discuss "the decision of advertisers to refrain from advertising on Channel 14" claims were also raised by other channels, but the specific claims of Channel 14 remained the main focus of the session.

<sup>5</sup> Tal Hilel, [\\*Destruction of the Free Media in Israel: Review Report](#), Zulat, 11 February 2025.

### **Bill Seeks to Impose Sweeping and Disproportionate Restrictions and Sanctions**

In addition to the failings listed above, the bill seeks to enforce sweeping restrictions and sanctions that do not meet the principle of proportionality required by law.

Specifically, the proposed restrictions on media buying amount to a violation of the freedom of occupation of various players, such as advertisers, media buying agencies, and broadcasters, given that they fail to meet the test of proportionality. The violation of this principle is evident in multiple areas:

- The bill imposes criminal sanctions on companies and corporate officers, even though it is highly doubtful that these are warranted by the circumstances.
- One such blatantly disproportionate sanction is the sweeping reporting requirement imposed on any person purchasing any volume of media, however small it may be, as well as a substantial financial penalty of NIS10,000 for violating this obligation.
- The Ministry of Communications would collect comprehensive data on advertising volumes and their sources, raising serious concerns that the concentration of such detailed data in the hands of the political echelon could form the basis for political control and interference, both in the broadcasting sector and in the advertising market.

### **Government Continues to Dodge Obligation to Submit Own Legislative Proposals**

The bill joins a long series of private member bills submitted at the government's initiative, with the aim of circumventing its obligation to act through government bills. This is meant to evade the requirement to establish a professional infrastructure prior to submitting the government bill, to hold professional discussions and consultations with the various levels of government and the public, and to obtain the Attorney General's opinion about the legislation sought.

The result is a private bill that is not based on any factual infrastructure, does not align with professional processes conducted in recent years by relevant regulatory authorities, and stands in contradiction to legal requirements.

## **Conclusion**

Zulat opposes the bill, given that it consists of measures that infringe on freedom of occupation without any professional justification or foundation, for the improper purpose of helping Channel 14 increase its revenues by diverting advertising budgets to it and harming the operations of other commercial channels and the IPBC.

**Authors and Legal Consultants:** Adv. Ronen Reingold and Adv. Ori Bassat