



Public Consultation Safer Internet and online technologies for children ISFE replies to the questionnaires

Preliminary remarks

The Interactive Software Federation of Europe (ISFE) represents the European interactive software industry¹, which produces entertainment and educational software for use on personal computers, consoles and portable devices including mobile phones and is the fastest growing 'content' sector in Europe.

ISFE would like to commend the European Commission on seeking the recommendation of the many stakeholders involved in the issue of child safety.

The considerations below aim to set the attached comments in the appropriate perspective.

1. European publishers of computer and video games have a tradition of caring about the protection of minors. This is exemplified by the Pan-European Game Information (PEGI) system (see www.pegi.info).the objective of which is to provide consumers with independently generated, trustworthy age recommendations likely to help parents make informed buying decisions.
2. As online games now represent a growing share of our business, we want to shield minors from unsuitable content in that area too. We have therefore developed the PEGI Online project with the support of the European Commission.
3. Consumer surveys, together with expert advice, seem to confirm that we are taking the right course:

3.1. polls taken by Nielsen Interactive in 2004 and 2007 on the recognition of the PEGI system provided the following data:

	<u>Nielsen 2004</u>	<u>Nielsen 2007</u>
➤ Unaided recognition	60%	60 %
➤ Assisted recognition	72%	94 %
➤ PEGI deemed helpful	49%	65 %
➤ Descriptors deemed helpful	44%	46 %

Nielsen 2005

- 81% of parents interviewed check their children's games.

¹ **ISFE** Membership consists of the following: **Associations** - AESVI (Italy), ADESE (Spain), BIU (Germany), BLISA (Belgium), ELSPA (UK), MDTS (Sweden), MUF (Denmark), NVPI (The Netherlands), NSM (Norway), SELL (France), SIEA (Switzerland). **Companies** – Activision, Atari, , Eidos, Electronic Arts, Konami, Microsoft, Nintendo, SCEE (Sony Computer Entertainment Europe), Take 2, THQ, UbiSoft, VUG (Vivendi Universal Games), The Walt Disney Company France

3.2. The OECD report on online gaming

In 2004, the OECD for the first time, addressed the interlocked issues of online games and mobile entertainment in two seminal papers: “*Digital Broadband Content: the Online Computer and Video Game Industry*”² and “*Digital Broadband Content: Mobile Content, New Content for New Platforms*”³ Recommendation # 5 of the “OECD Broadband Development Recommendations” reads:

“Member countries should implement ...a culture of security to enhance trust in the use of ICT by business and consumers, effective enforcement of privacy and consumer protection, and more generally, strengthened cross-border cooperation between all stakeholders to reach these goals.”

5. A more recent study addresses the issue of user-generated content <http://www.oecd.org/dataoecd/57/14/38393115.pdf?contentId=38393116>

It warns in page 52 that “preserving this openness and the decentralized nature of the Internet may thus be an important policy objective. Censorship, the filtering of information (including through ISPs or UCC sites themselves), depriving users of the access to certain information or tools for self-expression is in contradiction to the above policy principle. As discussed later, a balance between freedom of expression and other rights – e.g. the posting of illegal or unauthorized copyrighted content – must be struck.”

6. ISFE is happy to contribute the thoughts below based on its experience with PEGI and PEGI Online with a view to help inform public policies likely to meet the challenge described by the OECD, i.e. that of walking the fine line between consumer protection and censorship.

² (DSTI/ICCP/IE(2004)13/FINAL)

³ (DSTI/ICCP/IE(2004)14).

Questionnaire 1

Fighting illegal content

The definition of illegal content varies from country to country due to differing cultural traditions and national legislations. It can be accessed via the Internet, through mobile phones and game consoles. Even though the definitions of what is illegal content varies across countries, from racist and discrimination material to cyber crime, fraud, hacking, identity theft etc., the production and distribution of child sexual abuse material is considered to have the most severe consequences for children, and it is illegal in most European countries.

The production and distribution of child abuse material is facilitated through commercial websites, user generated web sites and peer-to-peer/file sharing networks.

- 1.1 In your opinion, is there a need beyond the year 2008 to pro-actively fight against illegal content?

Yes, illegal content will only grow if left unchecked and must be tackled.

- 1.2 If so, please give indications on what kinds of illegal content/material should be dealt with.

- 1.3 Which should be the means of fighting the production and distribution of illegal content, in particular child sexual abuse material, and what stakeholders should take initiatives (industry, governments, NGOs, financial institutions etc.)? Please suggest ways in which the different stakeholders can contribute in fighting against production and online distribution of illegal content.

- 1.4 A central element of the fight against illegal content for the Safer Internet plus Programme has been to support an international network of civilian hotlines where the public can report illegal content, should they chance upon it online. In your opinion, is this the most appropriate way of dealing with illegal content beyond 2008? How could their cooperation with law enforcement agencies be strengthened?

- 1.5 How can other organisations support national/local and international law enforcement agencies in dealing with the production and online distribution of illegal content?

- 1.6 The internet has a global dimension: illegal content can be produced in one country, distributed from a second, and accessed/downloaded in many countries across the world. Please specify which actions should be taken internationally. Are there specific countries which should be focussed on?

- 1.7 Research and development of efficient technological tools (filtering systems, image recognition etc) can contribute to reducing online distribution and indirectly the production of illegal content. Which are the subjects which should be addressed when supporting the development of technologies?

- 1.8 Analysis of psychological effects of victims and studies of how offenders use the Internet to distribute the evidence of the sexual abuse of children can also contribute to the fight against illegal online content. Which are the subjects which should be addressed in these areas when conducting research?
- 1.9 The legal situation concerning online distribution of illegal content and indeed the definitions of what is illegal differ across the EU Member States. Which are the issues which should be addressed when harmonising legal provisions across Member States?

Questionnaire 2

Fighting harmful content

Harmful content is content that potentially can be harmful or dangerous for children, and includes content which parents and carers do not want their child to have access to. It can be accessed through Internet, mobile phones and game consoles. What is considered harmful for children varies across cultures. However, in most cases it ranges from pornography, violence, racism, xenophobia, self-mutilation, anorexia, suicide sites, dangerous sects or hate speech to child sexual abuse material.

Risks for children who are exposed to harmful/unwanted content are psychological trauma and encouragement of harmful behaviour, such as violence against oneself (self-mutilation, developing eating disorders, and suicide) and others (inflicting violence or sexual abuse of others, bullying, happy slapping etc). In addition, accessing and downloading such content can give rise to security risks: viruses, spam, hacking, identity theft which may cause financial problems and damage to the computer, inadequate advertising, copyright infringement and co-participation in an illegal activity.

- 2.1 In your opinion, is there a need beyond the year 2008 to pro-actively fight against harmful content? If so, please give indications on what kinds of harmful content/material (subjects to be covered) should be dealt with.

Harmful content i.e. defined as ‘content potentially dangerous for children’ should indeed be made unavailable to them. The interactive software industry has developed a very successful age classification system for offline video games to help parents make informed buying decisions and prevent minors from being exposed to content unsuitable for their age. The PEGI system has rated more than 6000 retailed videogames and covers more than 95% of the market. Only 4% of those were classified as 18+ and contain potentially dangerous elements for minors.

- 2.2 Which are the means of fighting the production and distribution of harmful content and what stakeholders (media, governments, industry, NGOs, schools etc) should take initiatives? Please suggest ways in which the different stakeholders can contribute in the fight against the online distribution of harmful content.

The interactive software industry has now designed a system to prevent minors from exposure to unsuitable game content in the online environment (see www.pegionline.eu). PEGI Online is based on a Code of conduct, the PEGI Online Safety Code (copy attached) a licensing system managed by an independent administrator, a distinctive PEGI Online label intended as a trust mark and independent bodies aimed to provide advice and to settle disputes. While yet to be tested, this combination of a trust mark reflecting the fact that the “virtual territory” carrying it goes by a Code of Conduct and independent bodies aimed to build and enhance this trust could even work as an inspiration to the broader virtual world beyond online games.

- 2.3 In your opinion, should the media take an active part in the awareness-raising in this sphere and in what way?

The sheer number of minors potentially exposed to harmful content online calls for awareness-raising on a major scale. Mass-media provide a natural means for this to occur. Mass media's role is essential both in exposing abuse and providing information about how consumers can protect themselves and their children.

- 2.4 Which role could education have in empowering children to deal appropriately with harmful content? Should it be integrated into school curricula? If so, which would be the best ways of doing so?

Education is vitally important. Empowering children is the most effective way to address the threat posed by harmful content, as revealed by the latest survey of the Digital Opportunities Foundation (www.yprt.eu). It should therefore be integrated in school curricula as part of a wider course on media literacy. Parents play a critical role in reinforcing these messages.

- 2.5 A primary activity of the fight against harmful content for the Safer Internet plus Programme has been to support an international network of awareness nodes which promote public campaigns informing the public of the risks linked to the use of online technologies and on safeguard measures. In your opinion, is this the most appropriate way of dealing with harmful content beyond 2008? If so, please indicate in what ways this line of action can be strengthened.

Awareness is instrumental to alerting young people, parents, educators and the general public to the dangers involved. However, this also needs to be balanced with raising awareness of the positive benefits and opportunities brought about by the new communication technologies. It is important to involve all of these target groups in the process. Parents and educators, reluctant to learn about new technologies which they may not be able to master, can nonetheless play a key part of the educational process which, in essence, consists of teaching children how to deal with all sorts of situations likely to happen in real and virtual life.

Raising awareness is also the key feature of the PEGI Online project, which aims to inform and educate parents and teachers about a limited albeit growing part of their children's virtual life: online gaming.

- 2.6 Efficient technologies can help to make the use of the Internet, mobile phones and game consoles safer for children to use (eg. filtering software by Internet Service Providers or at user's computer, age verification mechanisms etc). Which are the subjects which should be addressed when supporting the development of technological tools?

Technology indeed makes automatic filtering possible. It is oftentimes referred to as “web semantics”. However, this is a very rough and poor substitute to parental vigilance combined with independent advice from safety systems administrators. Even worse, excessive reliance on technology may mislead parents into unreasonable expectations and subsequently nasty surprises. Today gaming consoles and PC operating systems are increasingly equipped with parental control systems which enable parents to block content that is unsuitable for their children. They usually take into account the different age classification system for videogames as well.

- 2.7 Research on sociological issues and analysis of psychological effects of particularly of the harm to children on different kinds of harmful content can contribute to building knowledge about how to deal with these issues. Which are the subjects which should be addressed in these areas when conducting research?

Questionnaire 3

User- generated content and online communication

Children and adults alike use online technologies for communication. It takes place in a number of different ways; through mobiles, e-mail exchange, sites which facilitate users to create profiles, virtual networks, image exchange sites, Instant Messaging Services, blogs, chats and peer-to-peer services, dating sites and other "social networking sites" and user interactive services. Amongst others, the risks for children using these features are grooming, disclosure of sensitive personal information/images, and exposure to harmful content (pornography, sexual speech, violence etc) encouragement to harmful behaviour (e.g. happy slapping"), bullying and harassment.

Internet allows both children and adults to create their own content ("user-generated content") and make it accessible to other users through Internet or mobile phones. Children are particularly vulnerable as they more easily disclose sensitive personal data (information and images), they sometimes engage in behaviour that is risky to themselves and can quickly get out of hand. They can also get traumatic experiences when confronted with illegal and harmful content or conduct. In addition, their use is in some cases associated with copyright infringement.

- 3.1 Which are the best means of addressing these risks with the aim of child online protection, in particular grooming and bullying? Which stakeholders should be responsible for initiatives in this field, and what roles should they have (industry, media, governments, schools, NGOs etc)?

The general concern to ensure freedom of expression combined with the rise of user-generated content make it both unpalatable and impractical to regulate content at its source. In contrast, those providing the ways and means for this content to reach its intended audience, those fostering this content or making it available have a specific responsibility. This is the basic thrust of the PEGI Online project: to enlist the participation of providers committed to protecting minors, to check their ability to live up to their commitment and to afford them a way to distinguish themselves from those less committed to this goal.

Because the constant monitoring of online activities is in reality an impossible task, this first layer of stakeholders, the one closest to the source of content, should be complemented with another layer at the receiving end, the one closest to the target of the protection, i.e. children. Involving parents and educators is instrumental to successful policies in this respect. This involvement must be both passive (knowing the risks specific to online environments) and active (using available parental controls, monitoring and reporting possible violations).

Since communication is essential, governments should help by permitting appropriate access to key stakeholders (schools are the best example) and key communication tools (TV channels for instance).

NGOs, parent/teacher associations, family associations and, more generally, the civil society may also greatly help in spreading the message and eliciting the vigilance (mentioned above as a key ingredient). They should be provided

with the knowledge, tools and, most importantly, a fundamental understanding of what sort of behaviour is or is not acceptable and what actually can be done.

As far as payments are concerned, financial institutions are in the best position to provide tools likely to pre-empt violation or track down perpetrators. Law enforcement should, on the other hand, be able to more easily gain access to the records of ISPs in order to find the true identity of the violators behind their online names and internet addresses.

3.2 Can you name further, not listed risks or further potentially dangerous forms of communication? Which are the best means and ways of addressing them?

3.3. Which role could education have in empowering children to deal appropriately with harmful and illegal user-generated content? Should such issues be integrated into school curricula? If so, which would be the best ways of doing so?

The Mediappro study (www.mediappro.org) identified a gap between the educational tools used at school and new media used at home. As these media enable children to generate content themselves, it is of utmost importance to bring these tools into the schools and discuss their benefits as well as potential hazards. Opening up school curricula to media literacy is a prerequisite to fulfil this objective.

3.4 A central element for the Safer Internet plus Programme in making Internet safer for children has been to support an international network of awareness nodes which promote public campaigns informing the public of the risks linked to the use of online technologies and on safeguard measures. In your opinion, is this the most appropriate way of dealing with communication risks and user-generated content beyond 2008? If so, please indicate in what ways this line of action can be strengthened.

Awareness is instrumental in alerting young people, parents, educators and the general public to the dangers involved. However, this needs to be balanced with raising knowledge of the positive benefits and opportunities brought about by new communication technologies. It is also important to involve all of these target groups in the process. Parents and educators, reluctant to learn about new technologies which they may not be able to master, can nonetheless play a key part of the educational process which, in essence, consists of teaching children how to deal with all sorts of situations likely to happen in real and virtual life.

Raising awareness is also the key feature of the PEGI Online project, which aims to inform and educate parents and teachers about a limited albeit growing part of their children's virtual life: online gaming.

- 3.5 Should the media take an active part in the awareness-raising in this sphere and in what way?

Awareness initiatives are only as efficient as the target audiences they reach. Given the border-free nature of online environments, awareness initiatives have to be massive. Mass-media is therefore the most effective tool for successful campaigns in this area. The use of such media however often requires heavy financial investments. National broadcasters, who after all are usually bound by law to provide a wide range of programmes and services for the general public, free of commercial interests and political bias, are arguably the natural medium for the type of awareness campaigns that are needed.

- 3.6 Development of efficient technologies can help to make the use of the online communication safer (e.g. monitoring social networking sites, age verification systems etc). Which are the subjects which should be addressed when supporting the development of technologies within this field?

It is our experience to date that the process of age verification can either build trust with parents or mislead them. Any parent who ascertains that a virtual playground is secured by efficient technology and therefore absolutely 'safe' also runs the risk of experiencing a false sense of security. Just as no playground in real life is absolutely safe nor can any online equivalent ever be totally secure. The same can be said for the most tightly monitored web site. Accordingly, age verification systems can never be totally free of weak spots which clever children can use to bypass the system. These systems mostly rely on information provided by the participant. As with other technologically advanced automated processes, these systems tend to reduce parents' appetite to learn about what their children do on the internet.

Constant monitoring of social networking sites involves huge costs and has only limited outcome in terms of minor protection. It may lead to the belief that not one bad word will skip the monitor's attention. On the other hand, ensuring that a robust mechanism for handling the reporting of misbehaviour is implemented can also meet these expectations and this is just one of the commitments made by signatories of the new PEGI Online Safety Code.

Gaming consoles and PC operating systems are more and more equipped with parental control systems which enable parents to block content that is unsuitable for their children. They usually take into account the different age classification system for videogames as well. However, in the end, these systems are only as effective to the extent that they are used by parents. Here is where PEGI Online can provide the vital extra ingredient of content information.

- 3.7 Research on sociological issues concerning use of online technologies, particularly how children themselves perceive risks, how offenders use online technologies to get into contact with children, the effects of grooming and bullying on children, as well as analysis of effective awareness-raising methods, can help to understand better how trends, behaviours and risks evolve in the society and to formulate awareness-raising initiatives in this field. Which are the subjects which should be addressed in these areas when conducting research?
- 3.8 The legal situation related to grooming online differs across EU Member States. Which issues should be addressed when harmonising legal provisions across the Member States?

A strong set of ex-ante provisions to curb grooming taken at pan-European level may happily co-exist with a diversity of legal provisions ex-post at national level. Pan-European self-regulation like, say, PEGI Online, will ensure all participants to maintain their commitment to the related Code of conduct, the PEGI Online Safety Code (see attached and www.pegionline.eu). The Code's provisions concerning, for example, complaints and sanctions interact smoothly with national laws and regulations. This template of a pan-European self-regulation designed to dovetail with possibly diverse national legal provisions can work effectively both to protect the freedom of expression of "global citizens" and the necessarily diverse approaches take by Member States in dealing with such sensitive issues on a legal Basis.

ANNEX
PEGI ONLINE SAFETY CODE ('POSC'):
A CODE OF CONDUCT FOR THE EUROPEAN
INTERACTIVE SOFTWARE INDUSTRY

Article 1: SCOPE

The PEGI Online Safety Code, hereinafter referred to as the POSC, shall apply to all online gaming providers who decide to become signatories of the POSC. The term 'online gaming providers' refers to all publishers or website operators to the extent they provide online services through which interactive software products allowing on-line game play (including: videogames, computer games, and education/reference works on CD Roms) are made available or enjoyed.

POSC shall also apply to all associated advertising and promotion of such online services (see Article 10 below).

Article 2: PURPOSE

The POSC is based on a Code of Conduct which was introduced under the PEGI system which applies to all interactive software including videogames played online. The POSC therefore also reflects the interactive software industry's commitment and concern that information be provided to the public in a responsible manner about the content of interactive software products. The industry's contribution is intended to complement existing national laws, regulations and enforcement mechanisms.

Firstly, the POSC is intended to provide parents and educators with an assurance that online gaming services displaying the PEGI Online label

(POL) are operated by publishers and other companies who have signed up to the POSC and therefore committed to abide by its provisions.

Secondly, the POSC is intended to ensure that all advertising, marketing and promotion of online services is consistent with the industry's fundamental aim of informing the public, especially parents, of the content of interactive software products.

Thirdly, the POSC reflects the interactive software industry's commitment not to produce, advertise, distribute or promote any product in breach of human decency.

Article 3: POSC INSTRUMENTS

The European interactive software industry has put in place five different instruments to fulfil the objectives set out in Article 2 above, four of which are common to the POSC and the PEGI Codes and so maintain the consistency of both systems. These instruments are:

A. The PEGI Advisory Board (PAB) which includes representatives from key stakeholders (parents, consumers associations, child psychology experts, academics, media experts and the interactive software industry). This body ensures that the POSC responds to ongoing social, legal and technological developments.

B. The independent PEGI Complaints Board (PCB) which again includes representatives from key stakeholders, and is entrusted with management of the following three matters:

- conflicts between applicants and the PO Administrator. (see E. below)
- complaints about the consistency of advertising, marketing and promotional activities of any POSC signatory with the provisions of the POSC.
- disputes about the implementation of POSC by signatories.

C. The PEGI Enforcement Committee (PEC) charged with implementing the recommendations of the PAB Board and, more generally, of ensuring the enforcement of the provisions of the POSC, including decisions of the PCB.

D. A Legal Committee, also common to the PEGI system, which will ensure the ongoing coherence and consistency of the POSC Licensing System (see E below) with national legal frameworks.

E. A Licensing System operated by ISFE with the assistance of an Administrator, for issue of licenses to use the PEGI Online Label (POL), whereby assurance is given to the public that the licensee has committed to abide by all provisions of the POSC.

Article 4: ISFE'S COMMITMENT TO THE CODE

The ISFE hereby commits to:

- a/** operate the POSC in as efficient a manner as possible.
- b/** ensure comprehensive, thorough awareness and understanding of the POSC and its purposes by all

participants in the interactive software industry, including publishers, developers, website operators, wholesalers, retail, trade media and advertising companies.

c/ implement and maintain the structures necessary to interpret, operate, publicise and update the POSC, whilst also conducting studies and reports on its ongoing application to interactive software.

d/ initiate any additional activity necessary to support the POSC.

Article 5: OBLIGATIONS OF ISFE MEMBERS

The members of ISFE shall:

a/ abide by the POSC in respect of the labelling of online services under their control and also with respect to all related advertising and promotional activities. (see Article 10 below).

b/ abide by all decisions made by the PCB and PEC and provide all appropriate information to the PAB as it oversees the implementation of the POSC.

c/ assist ISFE in delivering on its own commitments as provided in Article 4 above.

d/ The obligations listed above shall enter into force as soon as the POSC is implemented.

Article 6: LEGAL AND REGULATORY ENVIRONMENT

POSC signatories shall ensure that online services comply with existing and future laws and regulations at EU and national level. It is therefore also

understood that the obligation to label online gaming websites according to the POSC applies only as far as it does not lead to any infringement of existing or future national mandatory (governmental) rating and labelling systems applicable to interactive software and online gaming services.

Article 7: AGE RATING AND LABELLING

The main features of the POSC are described hereunder. Their implementation shall be subject to contracts to be signed by ISFE with all potential licensors of the POSC, and to guidelines enacted by the PEC.

7.1. applicants to the POSC shall complete an online application form to be sent to the Administrator of PEGI Online (hereinafter ‘the PO Administrator’).

7.2 the application form will address the main concerns raised by parents and educators concerning online game play, namely;

7.2.1 the online service operated by the applicant will only include game content which has been appropriately rated i.e. under the regular PEGI system or under other recognized European systems such as – but not limited to - those operated by the BBFC in the UK and the USK in Germany.

7.2.2. the PEGI Online label (POL) will provide a direct hyperlink to a dedicated website where appropriate information will be given regarding the risks arising from the fact that content created in the course of game play may be unknown to the original publisher. Alternatively and where appropriate, signatories shall display the url

associated with the said dedicated website in a prominent position visible to users of online services.

7.3 Applicants will use their best endeavours to ensure that operators of online services not under the control of the applicant but containing game content published by the applicant abide by the POSC rules and/or subsequently become signatories of the POSC themselves.

Article 8: LICENSING AND LABELLING PROCEDURES

8.1. Following the completion of the online application form (see Article 7.1) the PO Administrator shall evaluate the ability of the applicant to comply with the commitments of the POSC, in light of answers and material provided by the applicant, including possible codes of conduct already enforced by the applicant as far as online games are concerned and the other factors as set out at Article 9 below.

8.2. If the applicant does not agree with the evaluation of the PO Administrator, it may appeal to the PCB, which will then make a final decision as to the applicant’s eligibility to participate in the POSC.

8.3. If an application is successful, the applicant will be granted by the PO Administrator, on behalf of ISFE, a licence to reproduce the POL and to post it on its online services.. This authorisation will be granted for one year and may be renewable for a longer term depending on the PO Administrator’s subsequent recommendation.

8.4. The POL shall be displayed in a size that permits the message to be clearly visible to, and perfectly legible

by, the public, in accordance with templates to be provided by ISFE. The same principles will apply to any making available of interactive software to the public through other means apart from sale, such as rental or loan.

8.5. Licence holders shall ensure that the POL is used only in accordance with national legal requirements and that, in particular, it is not used in countries where the products carried on the online services concerned are prohibited or subject to compulsory legal classification. Should products available on online services carrying the POL be subject to such classification in any country or countries, the use of the POL shall be accompanied by a conspicuous reference to any consequent conditions covering game play on the said services.

Article 9: KEY PROVISIONS

Content: Licence holders shall use their best endeavours to ensure that online services under their control are kept free of content which is illegal, offensive, racist, degrading, corrupting, threatening, obscene or might permanently impair the development of minors.

When online services under the control of the license holders also contain user generated content, the license holders shall use their best endeavours to immediately take down user generated content which is illegal, offensive, racist, degrading, corrupting, threatening, or obscene

Observance of all the foregoing should, where possible, also include removal of undesirable links or 'hyperlinks.'

Undesirable Content; Consistent with the foregoing paragraph, licence holders will ensure that appropriate reporting mechanisms are in place to allow game players to notify licence holders of the existence of undesirable content on any related websites offering online services under their control.

Community Standards; Licence holders will ensure the incorporation in their terms of business with online subscribers of certain provisions usually included under the heading of so called 'community standards'. These provisions will contain prohibitions against those subscribers introducing content or indulging in online behaviour which is illegal, offensive, racist, degrading, corrupting, threatening, obscene or might permanently impair the development of minors

Privacy: Any licence holder engaging in the online collection of personal information from subscribers will maintain an effective and coherent Privacy Policy fully in accordance with all applicable European Union and national Data Protection laws. The Privacy Policy will encompass the responsible collection, distribution, correction, and security of the personal details of subscribers who shall be given full details of the licence holder's Privacy Policy before the finalisation of any subscription to an online service. Subscribers must be also be given the opportunity to comment on any perceived misuse of their personal details and therefore be fully advised as to ways, for example, of avoiding unsolicited or unwanted e-mail contact.

Protection of Minors ; In keeping with one of the main objectives of the POSC, licence holders must adhere to

stringent standards ensuring the protection of children from any unsuitable content and behaviour associated with any website aimed at children. These standards shall include, where appropriate;

- the publication of warnings about the supply or display online of private email addresses
- promoting responsible purchasing practices where minors are concerned.

Article 10: ADVERTISING AND PROMOTION

10.1. The design of print, broadcast and on-line advertising of PO labelled websites operated by licence holders shall comply with all applicable laws and regulations.

10.2. More generally, the following principles will apply to the relationship between PO labelled websites and the rated products they might carry:

- all advertisements must accurately reflect the nature and content of the product represented and wherever reasonably practicable the rating issued (i.e. an advertisement should not mislead consumers as to the product's true character).
- all advertisements shall be created with a sense of responsibility towards the public.
- no advertisement shall contain any content that is likely to cause serious or widespread offence to the average consumer targeted.
- licence holders shall not specifically target advertising for entertainment software products rated 16+ or 18+ to consumers for whom the product is not rated as appropriate.
- licence holders shall ensure that ancillary or separate products that

are being sold or promoted in association with a core product contain content that is appropriate for the audience for which the core product is intended.

- licence holders should inform the public by means of a general statement of the existence of sponsorships and/or the existence of 'product placements' associated with any online service. In this regard use of a trade mark or brand solely to provide authenticity to the game environment shall not be held to constitute either product placement or sponsorship provided that licence holders do not receive payment in exchange for such use.
- licence holders shall not enter into promotion of online interactive software products rated 16+ or 18+ with another company's brands, products, or events, if it is reasonable to believe that such company's products, brands or events will reach consumers for whom the interactive software product is not rated as appropriate.

Article 11: ADVISORY BOARD

To ensure the continuing applicability of the POSC taking into account potential social, legal and technological developments, the PEGI Advisory Board (PAB) will be made available to the management of the POSC. The PAB has been established to interpret the provisions of the PEGI Code of Conduct and to suggest appropriate implementation tools. The PAB is made up of:

- parents/consumer organisations,
- child psychology experts,
- media experts,
- lawyers expert in European minor protection laws,

- academics,
- a representative of the PEC,
- a representative of ISFE
- the PO Administrator.

Article 12: COMPLAINTS BOARD

The PEGI Complaints Board (PCB) will be used to:

- handle possible complaints about the consistency of advertising, marketing and promotional activities of licence holders with the provisions of the POSC.
- handle possible conflicts about the way the POSC is implemented by licence holders

The PCB draws on similar skills as the PAB, as reflected by its current composition (see Article 3.A and B above).

Article 13: ENFORCEMENT COMMITTEE

Compliance with the POSC, the provision of advice to all companies deciding to subscribe to the POSC as well as to the PO Administrator, possible sanctions on licence holders infringing the POSC, shall be entrusted to the PEC (see Article 3.C above). The PEC is made up of carefully selected representatives of the industry, as nominated by the ISFE Board and elected by the General Assembly of ISFE.

Article 14: SANCTIONS

14.1. In addition to infringements spotted by third parties or the Administrator, the PEC and the PCB shall jointly identify and document any possible wrongful application of the

POSC. Reasonable, non-arbitrary discretion will be used in examining all relevant facts to enable a determination of appropriate sanctions. The PEC and PCB will also suggest corrective steps commensurate to the violation, to be implemented immediately.

14.2. Failure to comply with the POSC and/or a decision of the PCB as described above will expose offenders to sanctions including but not limited to the following measures:

- temporary removal of the POL licence from a licence holder,
- mandatory modification of any associated advertisements both on and off-line,
- permanent removal of the POL licence from a licence holder
- removal of the POL from any online service associated with breach of the POSC
- a fine of between €1000 and € 250,000 per violation depending on the gravity thereof and the failure to take appropriate remedial action.

14.3. Violations covered by these sanctions include presenting misleading or incomplete material to support the original application for a POL license, failure to submit changes, updates, or modifications that affect the ability of the license holder to comply with its obligations under the POL license in a timely fashion, self-application or flawed display of logos or the POL by the license holder, inappropriate targeted marketing, and, more generally, all steps or omissions that fail to show a sense of responsibility towards the general public.

14.4. Any sanction imposed on a licence holder under the POSC can be referred by that licence holder, within thirty days of the date of imposition of the sanction, to final and binding

arbitration by CEPANI, the Belgian Centre for Arbitration. All costs of the arbitration will be met by the licence holder.

14.5 Any PEC decision imposing a sanction on a licence holder can be referred by that licence holder, within thirty days of the date of the PEC decision, to final and binding arbitration by CEPANI, the Belgian Centre for Arbitration. Arbitration shall be the sole method available to challenge any decision of the PEC. Imposition of any sanction shall await the decision of CEPANI unless the PEC seeks interim measures from CEPANI pending that decision.